83d Congress, 1st Session - - - House Document No. 83-239, Vol. XI
83d Congress, 2d Session - - - House Document No. 83-509, Vol. XI
84th Congress, 1st Session - - - House Document No. 84-235, Vol. XI, pt. 2.

Foreign Relations of the United States 1952-1954

Volume XI

Africa and South Asia

(in two parts)

Part 2

Editor in Chief
John P. Glennon

Editors

Paul Claussen
Joan M. Lee
David W. Mabon
Nina J. Noring
Carl N. Raether
William F. Sanford
Stanley Shaloff
William Z. Slany

Louis J. Smith

H 920-12

United States
Government Printing Office
Washington : 1983

DEPARTMENT OF STATE PUBLICATION 9281

OFFICE OF THE HISTORIAN

BUREAU OF PUBLIC AFFAIRS

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

SOUTH ASIA

GENERAL UNITED STATES POLICIES WITH RESPECT TO SOUTH ASIA [1]

S/S–NSC files, lot 63 D 351, "NSC 98—Memoranda"

Memorandum by the Acting Secretary of State to the Executive Secretary of the National Security Council (Lay) [2]

TOP SECRET WASHINGTON, August 19, 1952.

Subject: Fourth Progress Report on NSC 98/1, "The Position of the United States with Respect to South Asia." [3]

NSC 98/1 was approved as Governmental policy on January 25, 1951. It is requested that this progress report as of August 6, 1952 be circulated to the members of the Council for their information.

Developments during the period April 24–August 6 continued to point up the need for urgent action with respect to implementation of our policy toward South Asia. Overt efforts of Communists to exploit their successes in the national elections in India left no doubt in the minds of government leaders as to Communist intentions; at the same time Communist efforts at disruption and subversion, although largely confined to "constitutional" channels, were energetically pursued; and the need for outside assistance in stabilizing economic conditions remained at least as great as ever.[4]

One of the most disturbing developments was the reduction by Congress of the aid program for South Asia from $150,000,000 to approximately $58,000,000. In a strongly worded message the President

[1] For previous documentation on this subject, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 1650 ff.

[2] This fourth progress report on NSC 98/1, "The Position of the United States With Respect to South Asia", was noted by the National Security Council at its 123d meeting on Sept. 24, 1952, in NSC Action No. 674 (S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1952").

[3] NSC 98/1, "The Position of the United States With Respect to South Asia", was adopted by the National Security Council at its 81st meeting on Jan. 24, 1951, in NSC Action No. 425 (S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1951"). For the text of NSC 98/1, see *Foreign Relations*, 1951, vol. VI, Part 2, p. 1650.

Three progress reports on NSC 98/1 preceded this fourth report. The first two, dated May 10 and Nov. 13, 1951, are printed *ibid.*, pp. 1692 and 1695. The third progress report, dated Apr. 23, 1952, but not printed here (S/S–NSC files, lot 63 D 351, "NSC 98—Memoranda"), was noted by the National Security Council at its 117th meeting on May 28, 1952, in NSC Action No. 643 (S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1952").

[4] For documentation regarding principal problems and policies in relations with India, see pp. 1633 ff.

stressed the danger to our national security inherent in this cut, and expressed the conviction that Congress would make additional funds available during FY 53.

Having failed to obtain agreement between the Governments of India and Pakistan on his April 8 proposal to associate the Plebiscite Administrator-Designate with the UN Representative in further negotiation of the Kashmir dispute,[5] Dr. Frank Graham, UN Representative, conducted talks with Indian and Pakistan representatives in New York during June with a view to obtaining their views on the report which he intended to submit to the Security Council. When it appeared that these talks were bringing the parties no nearer to agreement, the Pakistan Government informally transmitted to Mr. Nehru (through the U.S. Ambassador in New Delhi and independently of Dr. Graham) an offer to agree to a four to one ratio on troops, in favor of India, in return for Indian agreement to immediate induction into office of the Plebiscite Administrator.

Mr. Bowles made a very strong appeal to Mr. Nehru to accept the proposal. Mr. Nehru, however, stated that the Indian position already was quite clear and that he could not move from it. He added that he thought it would be proper for Dr. Graham to make any recommendations to the negotiating bodies which seemed to him to be fair and to have some chance of success.

In mid-July Dr. Graham proposed a meeting at the ministerial level in Geneva at which he would present a revised version of the 12 points which he had previously presented to the parties. At the time of writing, both governments have agreed to this continuation of the negotiations and the meeting is expected to start on August 25.

While tension over Kashmir did not return to the high point reached in the summer of 1951, the danger of hostilities arising from an incident continued; and statements issued by Mr. Nehru late in July to the effect that the "accession of Kashmir to India" was complete were not calculated to improve relations between India and Pakistan, even though Mr. Nehru added that special relations established between India and Kashmir would not affect the UN negotiations. There was also reason to believe that Sheikh Abdullah, head of the regime in Indian-occupied Kashmir, continued to toy with the idea of independence for the state—a circumstance which would play directly into the hands of the USSR.

On May 20 the Pakistan Government asked us to make available 300,000 tons of wheat, repayable in kind, to meet an anticipated foodgrain crisis resulting from droughts which had seriously reduced the current wheat crop.[6] The critical period was expected to occur between

---

[5] For documentation concerning efforts on the part of the United States to help resolve the Kashmir dispute between India and Pakistan, see pp. 1162 ff.

[6] For documentation regarding principal problems and policies in relations with Pakistan, see pp. 1818 ff.

October 1952 and May 1953. The Department of Agriculture was convinced of the urgency of the need, and found that wheat would be available, but was unable to agree to repayment in kind. At the time of writing the Department of State is still endeavoring to find ways and means of financing at least a portion of the amount requested—possibly 150,000 tons. This request represented an unprecedented opportunity to the U.S. to demonstrate tangibly its friendship for Pakistan. Failure to respond might well raise further doubts in the minds of Pakistanis as to the sincerity of our protestations of friendship. Meanwhile the USSR has offered to furnish wheat to Pakistan, but so far as is known the offer has not yet been accepted.

Along with its wheat shortage Pakistan faced other economic problems—notably those resulting from declines in the world prices of jute and cotton, Pakistan's major cash crops. Pakistan's foreign exchange assets declined from the equivalent of $638 million at the end of 1951 to $408 million as of March 31, 1952. They are estimated to have fallen further to $333 million as of June 30—which would represent a decline of about 48 percent in only six months. The government has taken steps to reduce imports and to move cotton and jute in export markets, but the decline in exchange assets of such a magnitude presents a formidable problem.

There was a noticeable increase in the activities of mullahs (orthodox religious leaders) in Pakistan. There was reason to believe that in the face of growing doubts as to whether Pakistan had any real friends, more and more Pakistanis were turning to the mullahs for guidance. Were this trend to continue the present government of enlightened and Western-oriented leaders might well be threatened, and members of a successor government would probably be far less cooperative with the West than the present incumbents.

In July Pakistan requested assistance in the purchase of $200,000,000 worth of military matériel, both armor and aircraft, for which that country would pay $15,000,000 annually for three years and smaller annual payments thereafter until payment was completed. Reference was made to the "growing sense of insecurity" in Pakistan arising from what the Pakistan people and Government see as the potential threat from the USSR, Communist China or from a possible future Communist India. Pakistan was informed of our sympathy with its desire to strengthen its defense, but of our inability to grant credit assistance for arms at this time for legal reasons, and that if it wished to raise the question again in the future, we would be glad to consider it.

During the period under review the Pakistan Government, in line with its policy of maintaining correct relations with the USSR and Communist China, permitted medical and economic delegations to visit these countries.

US observers in India continued to report that the India Emergency Food Aid Act of 1951 [7] was accomplishing its objectives. As of July 1 MSA purchase authorizations aggregating $190,000,000 had been issued and shipments of loan grain through July 5 brought the cumulative total to 2,173,695 long tons—virtually the ultimate total of 2,175,000 tons.

The proposed resumption of talks on strategic materials between Mr. Pawley and Indian officials was postponed on account of Mr. Pawley's illness. At the time of writing it is hoped that the talks can be held in Delhi late in October.

Negotiations with India for a Treaty of Friendship, Commerce, and Navigation have accelerated owing to the activity of the Embassy and high Indian Government officials. Restrictive Indian shipping laws have made it necessary to eliminate agreements regarding navigation and commerce. Nevertheless, if currently outstanding questions can be resolved satisfactorily a useful treaty of friendship and economic relations should be evolved.

India has requested the release of 200 Sherman tanks under Section 408(*e*) of the Mutual Assistance Act of 1949 [8] for replacement purposes as well as 50 to 200 jet aircraft for delivery by early 1953 and a total of 54 transport aircraft for delivery in the fiscal years 1955 and 1956. After discussion of India's military requirements as against its economic needs between Mr. Byroade and the Indian Ambassador, the latter decided to put aside the request for jet aircraft for the present.

National elections in Ceylon resulted in the return to power of the pro-Western and anti-communist United National Party.[9] However, despite the fact that Ceylonese officials, when informally approached by the U.S., had previously said they feared application of an embargo on shipments of rubber to Communist China would hurt them politically, no steps were taken after the elections to stop such shipments despite the fact that the government emerged from the elections stronger than before. In July a mission headed by Sir Oliver Goonetilleke, Minister of Agriculture and Food, visited Washington to discuss procurement of much-needed rice for Ceylon; possible purchase by the US of Ceylon rubber; and resumption of TCA aid in the event that requirements of the Battle Act were met. Steps were taken to assist the Ceylonese in obtaining a portion of their rice requirements in the U.S., but at the time of writing questions regarding rubber and TCA assistance remain unresolved.

---

[7] The India Emergency Food Act was signed into law on June 15, 1951, as Public Law 48. For the text, see 65 Stat. 69.

[8] The Mutual Defense Assistance Act of 1949 was signed into law as Public Law 329 on Oct. 6, 1949. For the text, see 63 Stat. 714.

[9] For documentation concerning U.S. policies with respect to Ceylon, see pp. 1499 ff.

In Afghanistan triennial elections to the National Assembly appeared to have been engineered in favor of Government-supported candidates, and 17 opposition leaders who protested were jailed without trial.[10] There were indications, however, that the government might, in the face of resentment against its arbitrary acts, quietly release the jailed leaders. Relations with Pakistan continued strained, but no skirmishes along the border were reported. At the time of writing the Pakistan Ambassador to Afghanistan designated in March had not yet arrived in Kabul, and the Afghan Government had not appointed an Ambassador to Pakistan.

Unstable internal conditions continued in Nepal, and doubts were created as to whether the Nepali Congress Government, installed with the blessing of the Government of India, would be able to survive. There were indications that Communists were exploiting political and economic deterioration, and speculation as to whether the Government of India, despite growing resentment of its interference in Nepalese affairs, would feel compelled to intervene openly to restore order in this strategic area.

As of June 30, agreements for technical assistance projects had been assigned obligating the following amounts for FY 52: India, $53,000,000; Pakistan, $10,000,000; Afghanistan, $349,000; Nepal, $225,000. Major projects included community development schemes for India and Pakistan; the sinking of tube wells in India; importation of fertilizer for India and Pakistan; construction of a fertilizer plant in Pakistan; and agricultural extension and minerals development in Afghanistan and Nepal.

During the period additional American technicians arrived in the field, making the total, as of June 30, for India 82; Pakistan 15; Afghanistan 3; Nepal 4. The number of trainees from South Asia in the United States as of June 30 was 108—29 from India, 65 from Pakistan, 6 from Afghanistan, 5 from Nepal, and 3 from Ceylon.

Except for Ceylon, all of the countries in the South Asia area have now met the requirements of the Battle Act.[11] They have given assurances that they are able to prevent the shipment to Communist areas of commodities on List I, Categories A and B.

Strengthening of USIE programs in South Asian countries, through changes in techniques and personnel, continued. At the time of writing the number of U.S. personnel in the programs in South Asia is 96—the same as that indicated in the last progress report. The number of local USIE employees has increased from 585 to 623.

---

[10] For documentation regarding U.S. policies with respect to Afghanistan, see pp. 1447 ff.

[11] The Mutual Defense Assistance Control Act, also known as the Battle Act, was signed into law as Public Law 213 on Oct. 26, 1951. For the text, see 65 Stat. 644.

Evaluation

It will be seen that implementation of policy with respect to South Asia during the period under review has suffered a serious setback in the form of the drastic cut in funds requested for technical and economic assistance. Another setback will occur if means of financing wheat shipments to Pakistan are not found. Not only does Pakistan occupy a strategic position vis-à-vis the USSR and the Middle East, but its leaders—ever since the founding of their country—have demonstrated their friendship for the US in many ways, including effective cooperation at the UN and in connection with the signing of the Japanese Peace Treaty. To date Pakistan has seen little tangible evidence of U.S. friendship, and failure to respond to the request for wheat would almost inevitably affect our national interests adversely.

There were no developments to August 3 which required a revision of basic policies approved in NSC 98/1, but the problems raised by the likelihood of increased Soviet pressure on South Asia and adjacent areas and by recent approaches of the Pakistan and Indian Governments for American arms suggest the need for further consideration of those parts of NSC 98/1 pertaining to U.S. policy on military assistance to South Asian countries.

DAVID BRUCE

INR–NIE files [1]

Special Estimate [2]

SECRET

WASHINGTON, 3 October 1952.

SE–32

CONSEQUENCES OF COMMUNIST CONTROL OVER SOUTH ASIA *

THE PROBLEM

To estimate the strategic consequences, to the West and to the Soviet

---

[1] Files of National Intelligence Estimates, Special Estimates, and Special National Intelligence Estimates, retained by the Directorate for Regional Research, Bureau of Intelligence and Research.

[2] Special Estimates (SE's) were high-level interdepartmental reports presenting authoritative appraisals of vital foreign policy problems. SE's were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental working groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the National Security Council. The Department of State provided all political and some economic sections of the SE's.

According to a note on the cover sheet, "The following member organizations of the Intelligence Advisory Committee participated with the Central Intelligence Agency in the preparation of this estimate: The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff. All members of the Intelligence Advisory Committee concurred in this estimate on 25 September 1952."

* For the purposes of this estimate, South Asia will be taken to include India, Pakistan, Afghanistan, Nepal, and Ceylon. [Footnote in the source text.]

Bloc, of the establishment of Communist control over South Asia without either the Middle East or Southeast Asia having previously come under Communist control. Whether or not South Asia is likely to come under Communist control, or whether there is any likelihood that South Asia would fall under Communist control prior to extensive Communist victories in Southeast Asia, is excluded from consideration.

CONCLUSIONS

1. The most serious effects of the loss of South Asia to Communist control would be psychological and political. It would add to the Soviet Bloc five countries, two of them potentially powerful, and would extend Communist control to include nearly half the world's population. In the absence of decisive Western counteraction, Communist control over South Asia would be speedily followed by the loss of much of Southeast Asia. Loss of South Asia would greatly reduce the effectiveness of the UN to the West, and would greatly reduce confidence in the capacity of the free world to halt the expansion of Communism.

2. In present circumstances, denial of Western access to South Asia would necessitate serious readjustments in the foreign trade and exchange pattern of the UK and the other Commonwealth countries and would increase the cost of European commercial communications with the Far East.

3. Communist control of South Asia would probably make the principal strategic materials of the area increasingly difficult to obtain under cold war conditions and certainly unavailable to the West in wartime. Of these mica, graphite, manganese, jute, and shellac are of particular strategic importance to the West.

4. Although denial of South Asian resources would not necessitate any significant reduction in defense and essential civilian consumption in the US, the overall effect, in terms of the magnitude of the readjustments required, would almost certainly be serious at any time up through 1954. US stockpiles would have to be drawn on pending the development of generally inferior and more expensive alternate sources and substitute materials. Moreover, the West would have to accept some reductions in quantity and quality of output until these substantial adjustments had been made.

5. In the short run, Communist control of South Asia would provide few economic benefits to the rest of the Soviet Bloc. The strategic value of the commodities rendered available to the Bloc would be meager, except with respect to monazite and rubber.

6. Although the Communists would face serious difficulties, they would probably have considerable success in gradually mobilizing and exploiting the substantial economic resources of South Asia. However, the development of an industrial complex of the order of that

existing in Japan and Manchuria at the start of World War II could be accomplished only over a long period of time.

7. The most important effects of Communist control of South Asia on Western military capabilities would be: (*a*) the elimination of any prospect of the eventual availability of South Asian forces and facilities; and (*b*) the diversion of Western strength required to meet the new strategic situation in the Indian Ocean area.

8. In addition to imposing these disadvantages upon the West, the Soviet Bloc would gain access to strategically located air and submarine bases and would gain control of the military potential of South Asia. The Soviet Bloc's development of this potential would probably be limited to the forces and facilities required to maintain internal security, to defend South Asia itself against Western attack, and to attack Western communications in the Indian Ocean area.

DISCUSSION

Political and Psychological Consequences

9. The establishment of Communist control over South Asia would be a major advance for the USSR in its efforts to communize the world. It would add five countries, two of them large and potentially powerful, and nearly a fifth of the world's population to the Soviet Bloc. With the acquisition of South Asia Communism would have gained control of nearly half of the world's population. In the absence of decisive Western counteraction, the Communist seizure of South Asia would precipitate the rapid transfer of much of Southeast Asia to Communist control, supposing this had not already occurred. The countries of the Near East, Japan, the Philippines, and Indonesia would be under great pressure to accommodate themselves to the neighboring Communist regimes.

10. India, Pakistan, and Ceylon are former colonial areas which have achieved independence and considerable prestige as free nations while maintaining beneficial political and economic ties with the West. As such they constitute a concrete refutation of the Communist thesis that the national aspirations of colonial and semi-colonial countries can be realized only through Communist "liberation." The fall of these countries to Communism would seriously impair the position of the West in relation to the national and social aspirations emergent in Asia and Africa, and would eliminate the example set by the efforts of the present regimes to curb Communist subversive activities.

11. The loss of the South Asian members of the UN (India, Pakistan, and Afghanistan) to the Soviet side would greatly reduce the effectiveness of the UN to the West either by enlarging the obstructionist bloc or, if the new regimes were not recognized, by weakening any UN claim to be a truly world organization.

12. A Communist victory in South Asia would greatly reduce con-

fidence in the capacity of the free world to halt the expansion of Communism. The communization of South Asia coming on the heels of the Communist victory in China would create the impression throughout non-Communist Asia, Africa, and Europe that the advance of Communism was inevitable.

Economic Consequences

Effect on the Economic Position of the West

13. In general, the economic consequences of Communist control over South Asia would depend on conditions in other areas at the time such control was attained. At the present time, Communist accession to power in the region would necessitate the diversion of Western resources to the Middle East and Southeast Asia, as well as serious readjustments in the foreign trade and exchange pattern of the UK and the remainder of the Commonwealth. The British would lose their substantial investments in India, a loss which would, however, be in part balanced by the probable cancellation of the UK's obligation to repay the remainder of sterling balances earned by India during World War II. The UK, Australia, and New Zealand would, initially at least, be hard pressed to find substitutes in dollar markets for many goods now obtained from South Asia and similarly would have to develop new markets for goods now exported to India. The loss of South Asian bunkering and drydocking facilities and civil air transit rights would substantially increase the cost of British trade with the Far East, particularly with Australia and New Zealand. To what extent the Communists would in fact enforce the above restrictions, and whether the effects would be as serious at some future date as they would be at the moment, cannot be estimated.

14. It is possible, however, to estimate the consequences of the loss of Western access to the several strategic raw materials and the number of widely used though less critically important items of which South Asia is now a major source. The principal commodities involved are as follows: †

a. Manganese ore—India currently supplies about 25 percent of the non-Communist world's consumption of manganese ore, including about 35 percent of that used by the US. Since the Indian product is markedly superior in grade to that obtainable elsewhere, its importance is greater than these percentage figures would indicate.

b. Mica—India is virtually the sole supplier to the West of the more critical classes of block and sheet muscovite mica, which is used in manufacture of vacuum tubes and other communications equipment, boiler gauges, and oxygen breathing equipment.

†India also has unequalled reserves of monazite sands, from which thorium (of potential use for atomic energy) and rare earths can be obtained, and also is a source of beryl, of some strategic importance in beryllium copper. Although India has thus far prohibited the export of monazite, it has entered into negotiation for its sale to the US. India restricts the exportation of beryl and the US has been able to obtain only minor amounts. [Footnote in the source text.]

c. Graphite—Ceylon is now the only significant non-Communist source of high grade amorphous lump graphite, which is used in manufacture of carbon brushes for electrical equipment.

d. Jute and jute products—India and Pakistan furnish virtually all the jute and jute products which enter world trade. Jute is the principal material used in bags and bale coverings for transport and storage of bulk commodities like grain, fertilizer, cement, and cotton.

e. Other products—India is the chief world supplier of premium quality kyanite, which is a high-grade refractory used in electric furnace linings, electrical and chemical porcelain, and spark plugs; furnishes about 75 percent of the world's supply of high-grade shellac; exports considerable quantities of castor beans and castor oil; and provides about a quarter of the world's supply of opium for medical purposes. India and Ceylon together produce close to 85 percent of the tea entering international trade and about two-thirds of the black pepper. Ceylon is a relatively minor source of rubber for the non-Communist world. In addition, India is a potential source of coking coal and iron ore for Japan.

15. Communist control of South Asia would probably make these principal strategic materials listed above increasingly difficult to obtain under cold war conditions and certainly unavailable to the West in wartime. The Communists would probably initially be willing to continue supplying strategic materials like manganese, mica, and graphite to the West if the latter did not apply to South Asia the export controls now in force against Communist countries, since the loss of the petroleum products, machinery, and other controlled items which South Asia now obtains from the West in the course of trade would impose a considerable strain on the South Asian economy. In addition, the Communists would probably continue to export less critical items like tea, black pepper, and possibly jute in exchange for foodstuffs and other products not now subject to Western export controls. However, a gradual drying up of South Asia's trade with the West would almost certainly take place, because the West would seek to develop alternate sources of critical materials and the Communists in South Asia would attempt to move toward greater self-sufficiency.

16. Denial of South Asia's products to the West as a result of a Communist accession to power would require substantial readjustments on the part of the US and even greater readjustments on the part of its allies. The West would have to spend time and money in developing generally inferior alternate sources, would have to develop substitute materials in some cases, and would have to accept some reductions in quantity or quality of output until these adjustments had been made. Moreover, the US would be under greater pressure to give financial assistance to Western Europe to the extent that this area's already meager dollar resources would have to be used for the purchase of those substitute materials available only in dollar areas. Also, the economic attraction of the Soviet Bloc to Japan would be greatly

increased, since Japan is looking increasingly to South Asia for industrial raw materials.

17. The impact on the West of the denial of South Asia's strategic materials would depend on the extent to which stockpiling goals had been achieved and alternate sources expanded at the time that South Asia's resources were cut off. Although denial of these resources would not necessitate any significant reduction in defense and essential civilian consumption in the US, the over-all effect, in terms of the magnitude of the readjustments required, would almost certainly be serious at any time up through 1954. The present outlook with respect to the principal strategic commodities named above is as follows:

a. Manganese ore—The US could initially maintain its own steel production by drawing on its manganese stockpile. Significant reductions in the output of other Western countries, where little stockpiling of manganese has taken place, could also be averted if US reserves were made available in sufficiently large quantity. The US stockpile of metallurgical manganese, which was 45 percent complete at the end of 1951, is probably sufficient to cover US import requirements for about two and a half years. In the long run, adequate supplies of manganese could be obtained from other sources—notably Brazil, the Gold Coast, South Africa, Belgian Congo, and Angola—where some expansion of facilities to meet the increasing demand for manganese is already taking place. However, an increase in output sufficient to make up completely for the loss of Indian manganese would require several years in view of manpower and equipment shortages, transport and loading facility bottlenecks, and various other problems, and some curtailment of steel production might be required to prevent depletion of the stockpile before these other sources had come into full production. In any event, loss of the superior Indian ore would require adjustments in metallurgical practice entailing some loss in rate of production and higher costs.

b. Mica—Loss of the Indian supply of block and sheet mica would require drastic conservation measures in the US, where stockpiling is about 25 percent complete, and even more stringent curbs on consumption in the other Western countries, where stockpiles are virtually nonexistent. Present US stocks of these critical classes of mica represent about a year's supply. Development of new sources would be very costly and the efforts being made to develop substitutes cannot be expected to show usable results for several years.

c. Graphite—Since Ceylon is the only source of high-grade amorphous lump graphite, the US would have to draw on its stockpile, notably for such uses as carbon brushes in high-altitude aircraft, and would have to modify specifications for other end-items where inferior grades of graphite might possibly be used. At the end of 1951, the US stockpile was close to its goal, which was about three times the amount consumed annually by the US during the latter part of World War II.

d. Jute and jute products—The loss would be serious, involving far-reaching conservation measures and costly adjustments, especially for countries like those of Western Europe where substitutes are less readily available.

e. Other products—Development of synthetic substitutes for Indian

kyanite is well under way, and the loss of the Indian product should cause no serious difficulties. Loss of Indian shellac would involve higher costs and widespread inconvenience since different substitutes would have to be developed for most of the various uses of shellac. Loss of Indian opium would inconvenience the UK, which has obtained most of its supply from the subcontinent. The loss of India would cut off a potential supply of coking coal and iron ore for Japan.

Effect on the Economic Position of the Soviet Bloc

18. In the short run, Communist control of South Asia would provide few economic benefits to the rest of the Soviet Bloc. The USSR would probably exploit India's thorium-bearing monazite for atomic energy development purposes, and the Bloc as a whole could probably use the limited amounts of rubber, cotton, and cotton textiles available for export, as well as moderate amounts of mica, graphite, iron and manganese ores, beryl, and jute products. Transporting these products to the Soviet Bloc would present serious problems, however, and in any event the amount of goods that the Soviet Bloc could absorb would be relatively small, in terms both of South Asia's present exports and of total Soviet Bloc consumption. Moreover, the strategic value of these materials to the Bloc would be meager, except with respect to monazite and rubber.

19. Conversely, the Soviet Bloc probably could and would provide only limited assistance to a Communist South Asia struggling with the major internal readjustments arising from the transfer of economic and political power to a Communist regime and from the probable cutting-off of major Western imports. Just as South Asia's principal exports are commodities for which the Soviet Bloc has no great immediate need, so its principal present imports—notably petroleum products, machinery and other metal manufactures, industrial chemicals, and foodstuffs—are items which the Communist world cannot easily spare. The USSR's willingness and ability to make up for the loss of Western products would be sharply limited by competing demands within the Bloc and by the Bloc's grave shortage of shipping facilities.

20. Initially, the shortages of food and petroleum would be major problems to a Communist regime. South Asia now imports about four million tons of grain annually. This deficiency would probably be met by a variety of measures including some imports from the USSR, ruthless rationing and crop collection methods, and, if the Communists were sufficiently well entrenched to clash with religious sentiment, use for human consumption of approximately a million tons of grain now consumed by monkeys and cattle. Much of South Asia's food deficit could be provided by mainland Southeast Asia if that area were Communist. Loss of the six million tons of petroleum now imported from the Middle East would almost certainly cause an initial decline in in-

dustrial output and for some time create bottlenecks in production. However, the effects would probably not be crippling. Some petroleum could be obtained from the Soviet Bloc and much oil-burning equipment could be converted to coal. The denial of spare parts and other capital equipment, industrial chemicals, and miscellaneous metal products previously obtained from the West would impose further curbs on industrial output.

21. Despite these difficulties, the Communists would probably have considerable success in gradually mobilizing and exploiting the substantial resources of South Asia. Although the area is predominantly agricultural and characterized by widespread poverty, it has the largest industrial plant in Asia outside of Japan, a huge labor supply including a considerable number of skilled and semi-skilled workers, and basic raw material resources sufficient to support an extensive industrial expansion. During World War II, India demonstrated considerable potentiality for capital formation, and the Communists in other areas have shown their ability for effective mobilization of resources in predominantly agrarian areas characterized by low per capita productivity. Thus, production in certain key industries, particularly steel, would probably rise after the initial period of readjustment, and there would probably be a gradual improvement in agricultural output. However, the development of an industrial complex of the order of that existing in Japan and Manchuria at the start of World War II could be accomplished only over a long period of time.

22. In terms of support for a military effort, therefore, South Asia could probably, with only minimum Soviet Bloc assistance: (*a*) supply small arms and ammunition and some artillery for a large ground army; and (*b*) provide logistical support for whatever additional Soviet forces and equipment were necessary to defend South Asia against Western attack and to attack Western communications in the Indian Ocean area (see para. 29). A Communist South Asia could not, however, without substantial outside assistance and a long-term capital investment program, produce more than insignificant amounts of heavy artillery, tanks, armored vehicles, communications equipment, naval vessels, and aircraft.

Military Consequences

The Existing Situation

23. *Forces.* The nations of South Asia possess forces in being of approximately 650,000, some 1,500,000 trained reservists, and a vast reservoir of manpower. The armies of India and Pakistan, comprising more than 90 percent of the above active strength, are trained and disciplined forces of good fighting quality. Both countries have small air

forces designed primarily for support of ground operations and a few light naval surface vessels.

24. *Facilities.* South Asia's other military assets include:

a. A large number of excellent airfields and air base sites (notably in West Pakistan) within medium and heavy bomber range of major industrial and governmental centers in Soviet Central Asia and the interior of Communist China. The rail and highway net and port facilities are adequate for maintenance of large-scale operations from these bases.

b. Major ports, air bases, and other facilities which could be used: (1) for maintenance of communications between Western Europe and the Far East and for logistical support of possible military operations in the Middle or Far East; or (2) for the support of air and naval action against these communications.

c. Limited facilities for production of arms and equipment. Although these facilities can supply significant amounts of small arms and ammunition, South Asia is dependent on outside sources for most other major items of material.

25. *Western Interests.* At present the military potential of South Asia is not available to the West, with certain exceptions such as British base rights in Ceylon. There is, however, an obvious Western interest in denial of this potential to Communism and in the possible future availability of some of these forces and facilities in certain contingencies. In particular, it is considered that, if relations between India and Pakistan can be improved, the military strength of Pakistan might become effective as a stabilizing factor in the Middle East and that Pakistani air bases might become available to the West in the event of war with the Soviet Bloc.

Effect on Western Military Capabilities

26. The most important consequences of Communist control of South Asia on Western military capabilities would be: (*a*) the denial of any prospect of the eventual availability of South Asia's forces and facilities; and (*b*) the diversion of Western strength required to meet the new strategic situation in the Indian Ocean area. Denial of access to South Asia's ports and airfields would, in itself, greatly hinder Western sea and air communications in that area. Even in time of peace, the fall of the subcontinent to Communism would require a diversion of Western military resources to the Middle East and to Southeast Asia to check the further expansion of Communism through subversion. In the event of war, the vulnerability of Western seaborne communications, particularly those with the Persian Gulf area, to attack from bases in South Asia would require a diversion of combat forces for their protection disproportionate to the diversion of Soviet strength to such operations.

Effect on Soviet Bloc Military Capabilities

27. The immediate military advantages which the Soviet Bloc would derive from Communist control of South Asia would be: (*a*) relief from the potential danger of Western air attack from Pakistani bases; (*b*) denial of the facilities and military potential of the subcontinent to the West; (*c*) diversion of Western military resources to the support of the Middle East and Southeast Asia; and (*d*) access to bases from which Soviet submarines, surface raiders, and aircraft could attack Western communications in the Indian Ocean area in the event of war.

28. The Soviet Bloc would also gain control of South Asia's military potential, but this control would not immediately constitute a net gain in Soviet Bloc military strength. South Asia's existing military establishments would probably have been demoralized and disrupted in the process of Communist accession to power; new Communist-controlled military establishments would have to be created. In any case, any indigenous military forces would, for some time, be fully employed in maintaining internal security, or committed to the defense of South Asia in the event of war.

29. The extent to which the Soviet Bloc would eventually build up Communist military strength in South Asia would probably be limited by the following considerations:

a. A large-scale build-up of military forces and installations would require a heavy investment in technical and material assistance, either through direct supply of military end-items or through development of South Asia's now limited war industry. This investment could be made only at the expense of military and economic requirements elsewhere in the Bloc which are likely to remain pressing for many years to come.

b. Difficulties of access and control would make a Soviet investment in South Asian military power a risky one. Unlike Communist China, South Asia has no major land communications with the present Soviet Bloc and would therefore have to be supplied almost entirely by sea and air. In the event of war, the South Asian military establishment's supply lines would thus be gravely vulnerable to Western naval interdiction.

c. There would be slight strategic advantage in building up South Asia's military strength beyond that required for internal security, defense of the subcontinent itself, and harassment of Western communications in the Indian Ocean area. Barring a marked change in the global balance of naval power, any surplus military strength in South Asia could be used only against adjacent continental areas, the Middle East and Southeast Asia, and even there its employment would face extreme logistic difficulties, while Soviet and Chinese Communist forces are already available for such operations.

30. We believe that the Soviet Bloc would develop the military potential of South Asia only to the extent required to maintain internal

security, to defend South Asia itself against Western attack, and to attack Western communications in the Indian Ocean area.

Editorial Note

On May 9, 1953, Secretary of State John Foster Dulles and Director for Mutual Security Harold E. Stassen embarked upon a trip to the Near East and South Asia. Between May 11 and May 19, the Secretary and the Mutual Security Administrator visited Egypt, Israel, Jordan, Syria, Lebanon, Iraq, and Saudi Arabia. They then proceeded to India for a series of high-level conversations with representatives of the Indian Government which lasted from May 20 until May 22. Thereafter they traveled to Pakistan for more conversations on May 23 and 24. After proceeding on to Turkey, Greece, and Libya, Secretary Dulles and Mutual Security Administrator Stassen returned to Washington on May 29, 1953. For extensive documentation concerning this trip, see volume IX.

INR–NIE files

National Intelligence Estimate [1]

SECRET WASHINGTON, 30 June 1953.

NIE–79

PROBABLE DEVELOPMENTS IN SOUTH ASIA *

THE PROBLEM

To estimate probable trends in South Asia in the absence of general war, particularly with respect to: (*a*) the prospects for the survival

---

[1] National Intelligence Estimates (NIEs) were high-level interdepartmental reports presenting authoritative appraisals of vital foreign policy problems. NIEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental working groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the National Security Council. The Department of State provided all political and some economic sections of NIEs.

A note on the cover sheet reads as follows: "The Intelligence Advisory Committee concurred in this estimate on 23 June 1953. The FBI abstained, the subject being outside of its jurisdiction. The following member organizations of the Intelligence Advisory Committee participated with the Central Intelligence Agency in the preparation of this estimate: The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff."

* This estimate is principally concerned with the two major countries of the area, India and Pakistan, but also considers probable developments in the other mainland states, Afghanistan, Nepal, and Bhutan, insofar as they bear on the situation in India or Pakistan or otherwise affect US security interests in South Asia. Ceylon is not included in the estimate in view of its lack of close involvement in the affairs of the mainland states and the specialized nature of the problems it presents for US security interests. [Footnote in the source text.]

of non-Communist governments in India and Pakistan; (*b*) relations between India and Pakistan; and (*c*) relations of the governments of the area with the Soviet Bloc and the West.

CONCLUSIONS

1. The present non-Communist regimes of India and Pakistan are likely to remain in power at least for some years to come.

a. In India, Nehru's personal position is virtually unshakable. His Congress Party is still far stronger than any opposition party or probable coalition of such parties and has an excellent chance of being returned to power in the next general elections in 1957. The Communists are not now a serious threat to the regime.

b. In Pakistan, political power and influence remain concentrated in the hands of a few Muslim League leaders, who enjoy the support of the military, and serious contenders for their power have not as yet emerged.

2. However, both countries have problems of economic, social, and political backwardness which they will find difficult to solve and which if not effectively dealt with may ultimately undermine the stability of their governments.

3. India has a grave economic problem because of the high and increasing ratio of population to developed economic resources. The current five year development program cannot be executed without substantial foreign aid, and even with such aid successful execution is not certain. At best, moreover, most of the gains contemplated under the present program will be absorbed by population increases. Even if the present plan succeeds, India will still face the formidable task of accelerating economic growth to a point where employment opportunities and production are increasing more rapidly than population.

4. Prospects for any marked strengthening of Pakistan's economic position are also poor. The current slump in the world demand for jute and cotton has forced curtailment of Pakistan's economic development program and has weakened Pakistan's foreign exchange and fiscal position at a time when the country faces a serious food grain shortage. Pakistan will find it difficult to reduce its dependence on jute and cotton because of the unavailability of other crops of comparable long-run earning power and because of its low potential for industrial development.

5. A formal settlement of the Kashmir dispute at any early date remains unlikely. However, the recent improvement of relations between India and Pakistan makes it probable that further progress will be made toward resolving other outstanding disputes, and Pakistan may eventually acquiesce in the partition of Kashmir along present lines. There is little likelihood of a resumption of hostilities between India and Pakistan.

6. The dispute between Afghanistan and Pakistan over the status of

the latter's Pathan tribesmen is likely to continue indefinitely, although it is unlikely to lead to war.

7. India will almost certainly maintain its present position of nonalignment in the East-West struggle, regardless of Soviet or Western actions, so long as it does not believe its own interests to be directly threatened. Although it would do its utmost to counter Communist attack on its own territory or on Nepal or Bhutan, it would probably not assist in repelling Communist aggression against any other country except possibly Burma or Pakistan. India can be expected to continue its efforts to reduce East-West tensions and to establish itself as a leader among the self-governing Asian states.

8. Pakistan would probably be willing to provide the West with base rights and possibly with troop commitments in return for substantial military and economic aid and Western security guarantees.

9. Conclusion of a military assistance agreement between Pakistan and the West would be resented by India and increase tension in the subcontinent, but it would probably not result either in war between India and Pakistan or in a break between India and the West.

10. Afghanistan is friendly to the West but will remain committed to a policy of passive neutrality in view of its extreme vulnerability to Soviet military and economic pressures.

DISCUSSION

Introduction

11. The continued existence of South Asia as part of the free world is important to US interests, principally because its loss to Communist control would be a serious psychological and political blow to the West. In addition, South Asia is of potential strategic and economic value to the West.

12. The destinies of the states of mainland South Asia are closely linked. They share a common heritage of former British rule or influence and face common problems of developing bases of political stability and overcoming social and economic backwardness. India and Pakistan are under additional political, economic, and military strain as a result of continuing controversy over the disposition of Kashmir, the division of irrigation waters in the Punjab, and various other problems resulting from the partition of British India. Afghanistan and Pakistan have a long-standing dispute over the status of Pakistan's Pathan tribesmen.

Political and Economic Situation and Trends

India

Present Situation

13. At present India enjoys a considerable degree of governmental stability. Prime Minister Nehru's personal leadership is unchallenged.

His Congress Party holds almost three-quarters of the seats in the national parliament, has effective majorities in most of the state legislatures, and has managed to retain control in the remainder. Organizationally, the government is strong: the formerly autonomous princely states have been absorbed into the federal structure, central government authority over the states has been firmly established, and the administrative skills developed under the British Indian Civil Service have been effectively utilized. The security forces are loyal and capable of maintaining order.

14. However, in spite of this currently strong political position, India's present leaders will almost certainly, over the long run, experience increasing difficulty in maintaining their present high degree of prestige and power. Growing public consciousness of India's low standard of living and of the pressure on the economy caused by the high and increasing ratio of population to developed resources is arousing among nearly all classes popular discontent which is likely to become increasingly significant. Moreover, various elements in the population have special grievances. Refugees from Pakistan are generally dissatisfied with the government's resettlement and rehabilitation program. Students are dissatisfied with the jobs available to them. There is a sizable number of Hindu extremists who are unreconciled to the creation of Pakistan and to the government's secularism. Members of the old landowning aristocracy are embittered by loss of privileges and by the prospect of expropriation. There is considerable pressure for the establishment of linguistic states along the lines of the new state of Andhra, which the central government has reluctantly decided to set up for the Telegu-speaking areas of Madras state.

15. Moreover, the Congress Party organization is declining in effectiveness. At the local level, many Congress leaders are oldline party bosses who wish to retain the support of the landowning class. These leaders are reluctant to implement land reform and are increasingly out of touch with the aspirations and needs of the average citizen. Moreover, new leaders of ability are not in evidence. At the national level, the Congress Party suffers from being a heterogeneous mixture of reactionaries, middle-of-the-roaders, and moderate leftists held together chiefly by Nehru's personal prestige and leadership. In the event of Nehru's death, the internal divisions within the party would be accentuated, and would probably lead eventually to its breakup into right and left-wing elements.

Political Trends

16. Although popular support of the Congress Party will probably decline, the present government is virtually assured of retaining power until the next general elections in 1957. Moreover, barring major setbacks to the economy, it has an excellent chance of being returned to power in the central government and most of the states at that time.

17. Nehru himself is a major source of party strength, since his enormous personal prestige and popularity give the party a tremendous advantage in a country where the average voter has only the most fragmentary knowledge of political issues. Even if Nehru died, however, the Congress Party would probably be able to secure a plurality if not an absolute majority in the 1957 elections, provided that it held together. The various opposition parties have not only failed to produce any strong leader with a mass appeal comparable to that of Nehru but also lack well-developed political organizations capable of competing effectively with the Congress Party on a nationwide scale. The opposition group with the greatest popular support in the 1951–1952 elections, the Praja Socialist Party, has no immediate prospect for challenging the government. Rightist groups like the Bharatiya Jan Sangh and the Hindu Mahasabha, which favor a stronger policy toward Pakistan and generally appeal to the Hindu reactionary element, are unlikely to score more than local successes.

18. Nevertheless, India's stability and unity will continue to be seriously threatened by disappointment over the unrealized expectation that independence would insure the rapid solution of India's numerous problems, and by the divisive effect of regional, ethnic, religious, and linguistic differences.

The Communist Party

19. The Communist Party of India has only about 40,000 actual members and continues to be weak in material resources and plagued by internal dissension and confusion over tactics. Among industrial and transport workers, where Communist influence was once strong, the party still suffers from the popular reaction against its former policies of violence.

20. In the 1951–1952 general elections, by employing the popular front appeal and by concentrating on districts where the Congress Party was weak, the Communists and their allies won 27 out of 499 seats in the lower house of parliament. The six million votes mustered for Communist or Communist-backed candidates represented only 5 percent of the total cast, and even that amount probably included a high proportion of simple protest votes against the Congress Party regime. Nevertheless, the Communists and their sympathizers constitute the largest single opposition bloc in parliament and in four of the state legislatures. Although the Communists have not succeeded in exploiting their gains in the last elections to the extent that initially appeared possible, they may make further gains in the next elections. There is no present indication that they could gain control of the central government or even a place in a governing coalition, but they might possibly gain control of a few state governments.

21. The Communists have a capability for stirring up disorders in certain rural districts, notably in south India, where Communist

guerrilla forces have in the past been active. It is also possible that the Communists might be able to elect enough party members or sympathizers to gain a significant influence in the local government of these areas. The Communists might in addition be able to exploit conditions in Nepal, where discontent is widespread, where the ease of small-scale border crossings from Tibet facilitates assistance by the Chinese Communists, and where the primitive level of communications and administrative control makes subversion easier.

22. However, any Communist resort to insurgency or violence would almost certainly encounter vigorous government counteraction, and it is unlikely that the situation would get out of hand. The Indian Government has reasonably effective security forces and a loyal army at its disposal and has shown an increasing tendency to deal firmly with Communist subversion and violence. The government has also taken increased pains to guard India's northern borders and those of Nepal, and in the absence of extensive guerrilla operations supported from Communist China is unlikely to lose control of the situation there.

Economic Trends

23. In the long run, India's stability will depend to a large extent on the government's ability to cope with the fundamental economic problems which confront it. In part India's economic difficulties stem from the low rate of capital formation, maldistribution of wealth, primitive farming methods, incomplete utilization of land and water resources, and a complicated and archaic system of land tenure and crop financing. An even more important source of difficulty is that of population density. There are already far too many farmers for the arable land available, and the Indian industrial sector, though fairly large in absolute terms, is still too small to absorb more than a fraction of the surplus rural population. Of the approximately 70 percent of the working population dependent on agriculture, about a third are landless farm laborers who are unemployed for a large part of the year. The food production of the area now comprising India has long been inadequate to meet its needs, and India now imports grain at the rate of about 3.5 million tons a year. Moreover, the problems of underemployment and of maintaining current consumption levels are becoming more acute as a result of population growth averaging approximately 4.5 million persons, or about 1.2 percent, a year.

24. The Indian Government is making a start at attacking these problems by means of a Five Year Plan instituted in April 1951. The plan's primary objective is to increase food grain production by 7.6 million tons a year over the 1949–1950 level of 54 million tons, thereby reducing the need to spend foreign exchange on food imports. The plan also calls for an increase in cotton production to make Indian mills independent of foreign sources. A program of cottage industries is being set up to reduce rural unemployment. The plan includes a

blueprint for land reform, embracing ceilings on individual land holdings, abolition of the extortionate *zamindari* system of rent collection, the development of farm cooperatives, and other changes. Only small public expenditures for industrial development are planned, and the government proposes to rely primarily on private initiative for further development of medium and large-scale manufacturing.

25. The program faces a serious shortage of funds particularly in the form of foreign exchange needed to purchase irrigation equipment, farm machinery, and other critical items unavailable locally. Over the remaining three years of the program, the Indian Government expects to fall short of raising the funds needed to finance the plan by the rupee equivalent of about $750 million—or about 18 percent of the total plan budget—despite maximum use of available fiscal resources, including deficit financing. In terms of the plan's foreign exchange requirements, the Indians expect a deficit of $280–320 million a year even after allowing for the use of India's remaining sterling balances in excess of its bare needs for currency backing and working capital. Unless India succeeds in obtaining foreign assistance in overcoming these financial difficulties, important parts of the development program will almost certainly be curtailed.

26. Even with adequate financing, the program's success would be far from assured. While it appears to call for more modest increases in agricultural production than might theoretically be achieved, substantial progress in this central aspect of the program will depend on the government's ability to make the most of the limited administrative and technical skills at its disposal and, above all, on its ability to win effective cooperation from the peasants. Moreover, state authorities will probably continue to move slowly in carrying out land reform. Another drought might further delay the program, by forcing diversion of funds to food imports.

27. In any event, the present program represents only a limited first-stage attack on the difficulties which confront India. Even if the projected 11 percent increase in national income from 1951 to 1956 is achieved, much of it will be absorbed by an expected population increase of about 7 percent, leaving little margin for improving living standards or for financing further economic development. India's task is to accelerate economic growth to a point where employment opportunities and production are increasing more rapidly than population.

28. India's low rate of saving—now only about 5 percent of national income—severely limits economic growth. The Indian Government recognizes the importance of increasing the proportion of national income available for investment. By taxation, by restrictions on consumption and on unproductive accumulations of wealth, and by other measures, it hopes to achieve modest increases in the rate of produc-

tive saving during the Five Year Plan and further increases in succeeding years, to the point where 20 percent of national income will be available for net public and private investment in 1967–1968 and thereafter. These goals, however, appear unrealistic. With most of India's population existing level, at a bare subsistence level and with population increases tending to swallow up any increases in production resulting from the development program, it is most unlikely that the rate of saving could be raised from 5 percent to 20 percent in so short a period.

29. The government also plans a nationwide program of birth control. However, a significant reduction in population growth would require successful execution of a mass education program of imposing dimensions and difficulty. Actually, the rate of population growth is likely to increase in the short run as a result of public health measures.

30. India thus faces formidable economic problems. Failure to solve them would probably result in a continued slow decline in living standards and in an increasing sense of economic insecurity. These conditions would almost certainly stimulate increasing social unrest and might eventually have serious political repercussions. Popular confidence in the regime would be weakened if the regime fell conspicuously short of achieving the goals of the Five Year Plan."

Pakistan

Present Situation

31. The political situation in Pakistan gives promise of stability. With general popular consent, political power remains concentrated in the hands of a few top leaders in the Muslim League, the organization which assisted the late Mohammed Ali Jinnah in the creation of an independent Pakistan. There are no other significant political parties. The government has complete control of radio broadcasting facilities and has on occasion been able to exercise considerable influence over the press. The armed forces are adequate to maintain internal security, and their leaders appear disposed to work closely with the civilian leadership.

32. The Government of Pakistan has recently been strengthened as a result of Governor General Ghulam Mohammed's summary dismissal of Prime Minister Nazimuddin on 17 April. This move, which brought to the premiership Mohammed Ali, then Pakistan Ambassador to the US, represented a vigorous effort by a strong element within the Muslim League, spurred on by the permanent Secretary of the Defense Ministry and the Army Commander in Chief, to halt the decline in government effectiveness, strength, and popularity which had set in following Nazimuddin's installation in late 1951. Under Nazimuddin the Muslim League had become increasingly involved in personal and provincial rivalries, and the government showed growing weakness

and opportunism in the handling of the serious problems which confronted it.

33. Pakistan's present leaders were particularly concerned about Nazimuddin's failure to take strong measures against religious extremists and their supporters in the Muslim League. This group opposed establishment of a modern secular state and was insisting that the new constitution now being drafted conform strictly to traditional Islamic law. The group also attempted to stir up popular opposition to the "unorthodox" sect to which Foreign Minister Zafrulla Khan belongs.

34. Dissatisfaction also arose over Nazimuddin's handling of the serious economic problems posed by the drought of 1951–1952, which confronted Pakistan with a substantial food grain deficit, and by the decline in the world demand for cotton and jute, which forced a reduction in Pakistan's gold and foreign exchange holdings to the bare minimum needed for currency backing and severely reduced the government's tax yields.

35. Additional dissatisfaction arose over the government's continued lack of success in obtaining a favorable settlement regarding Kashmir and other points of difference with India. Finally, the general tendency toward disunity and bickering was accentuated by the problem of allocating legislative representation under the new constitution between the isolated province of East Bengal, which contains over half the population and seeks a proportionate voice in national affairs, and West Pakistan, whose leaders are forced to concede East Bengal a special position but are reluctant to give it more political power than all the other provinces combined.

Political Trends

36. The recent shake-up in the Pakistan Government does not eliminate the problems and internal weaknesses which have confronted the regime. Rivalries within the Muslim League will almost certainly continue. The conservative mullahs, or religious teachers, will continue to be a potential source of trouble. Nevertheless, the new government has already made progress toward restoring the regime's prestige and appears to be providing the country with more vigorous and progressive leadership.

37. Any political struggles within the foreseeable future will almost certainly be confined to the Muslim League leadership. None of the opposition leaders or parties, including the small and immature Communist organization in Pakistan, shows any signs of developing into a serious political or subversive threat to the present leadership. The conservative religious elements appear to have no desire to function as a political party and moreover will find it difficult, in the face of determined governmental and military opposition, to resume even the limited-objective pressure group tactics they have employed in the

past. Although top military leaders played a major part in the recent cabinet shake-up, we do not believe that they would seek to take over the government themselves except in the event of a default of progressive and energetic civilian leadership.

Economic Trends

38. Pakistan has a predominantly agricultural economy. Although there is some mining, the country has little industrial plant, and it still lacks many of the commercial services which before partition were furnished by the area now comprising India. Most manufactured goods must be imported. Jute and cotton exports have provided about three-quarters of the foreign exchange earnings and, through export duties, almost as high a proportion of the government's revenues. The country is therefore extremely vulnerable to changes in the world demand for these products. The area included in Pakistan has in past years produced a small food surplus, but grain production has fallen considerably below requirements during the last two years as a result of shortage of rainfall, and perhaps of some diversion of grain acreage to cotton and jute production.† While population density is great in East Bengal, population pressure does not at present constitute for Pakistan as a whole the major problem it does for India.

39. Pakistan has sought to build up its economy under a Six Year Development Plan instituted in 1951 and a supplementary Priority Plan under which certain more easily completed and immediately useful projects were pushed ahead during the first two years of the six-year period. Thus far the emphasis has been on developing transport, power, and manufacturing facilities to replace those which remained with India under partition. These plans have proved inadequate and are being revised to provide greater emphasis on increased agricultural production.

40. Although some progress will probably be made, prospects for any marked strengthening of Pakistan's economic position are poor. The development program will probably continue to be hampered by the administrative inefficiency which, together with inadequacies in the plan itself, has slowed progress to date. Moreover, the slump in world demand for jute and cotton has not only sharply reduced the funds available to the government for development purposes but has also cut down on the foreign exchange available for normal purchases abroad and on the funds available for normal government operations. In dealing with the long-term implications of this problem, Pakistan faces a basic dilemma. So long as it continues its present emphasis on jute and

---

†The Pakistan Government has attempted to blame the grain shortage on India, charging the latter with diversion of excessive amounts of water from jointly utilized portions of the Punjab drainage system. However, the primary difficulty appears to have been an over-all shortage of water rather than any excessive Indian diversion. In any event, only limited areas of Pakistan depend on rivers and canals subject to Indian control. [Footnote in the source text.]

cotton, its economic position will be precarious. On the other hand, since Pakistan lacks the resources for extensive industrial development, it can obtain greater diversification and stability in its economy only by concentrating on crops yielding lower returns over the long run than jute and cotton.

41. Pakistan's current food shortage is probably temporary, though the country will remain vulnerable to recurrent drought. Without substantial grain imports the food situation will become extremely serious during 1953.

Military Trends in India and Pakistan

42. India's military establishment consists of an army of approximately 400,000 men, including 6 infantry divisions, one armored division, an armored brigade group, and 8 independent infantry brigades; a navy of about 9,000 men equipped with one cruiser, 3 destroyers, and smaller escort and patrol vessels; and an air force of 14,000 men and 670 aircraft, including 85 jet fighters. Pakistan has an army of about 206,000 men, including 8 infantry divisions, an armored brigade, and an infantry brigade; a navy of about 5,000 men equipped with 3 destroyers and other escort and patrol vessels; and an air force of 9,000 men and 330 aircraft, including 30 jet fighters.

43. The military forces of India and Pakistan represent outgrowths of the military establishment developed under the former British Government of India. They have mainly British equipment, follow British tactical and organizational doctrine, retain some British officers in command as well as in advisory and instructor positions, and continue to send students to British military schools. Both officer corps are loyal to the existing regimes; morale and discipline are high; and combat effectiveness is fairly good. Both military establishments appear capable of coping with any internal security problem which might arise, including in the case of Pakistan that of controlling the Pathan tribesmen of the North West Frontier Province. Major improvement in Indian or Pakistan military capabilities is unlikely without substantial foreign assistance.

44. The primary external mission of each force is defense against the other, and most combat units of both forces are deployed along the common Indian-Pakistan frontiers. The greatest concentration is in the Punjab-Kashmir sector. Pakistan has one division and India somewhat larger forces in the Bengal area. India is superior in existing combat strength and supply facilities, has greater manpower resources and a stronger economic base for supporting a war effort, and enjoys certain terrain and strategic advantages. However, in the event of a war between the two countries, India would face logistic difficulties of its own and probably would not be able to subdue Pakistan without a long and mutually exhausting struggle.

45. Without major outside logistic support, India and Pakistan would probably be unable to defend themselves successfully, even in cooperation, against determined attack by Communist China or the USSR. However, such a Chinese Communist invasion of India or East Pakistan is highly unlikely because of the ruggedness of the terrain and the long supply lines which would have to be developed and maintained. A Soviet invasion of West Pakistan would encounter more favorable terrain and greater facility for providing adequate logistic support. It is not believed, however, that the Soviet Bloc would attack either Pakistan or India, except possibly in the event of general war.

46. Even with substantial Western military aid, Pakistan could probably furnish few if any troops for early employment outside the subcontinent in the absence of a comprehensive settlement with India. The shortage of qualified officer and administrative personnel and the lack of an adequate logistic organization would make difficult any sizable increase of present forces, which are now small even for their primary mission of defense of Pakistan's borders.

47. Pakistan, however, will continue to be of potential military value to the West because of the strategically located airbases which it can provide.

Relations Among the States of the Area

Relations between India and Pakistan

48. Relations between India and Pakistan have been strained ever since their establishment as independent nations in 1947. Their most important dispute has been over the disposition of Kashmir, where actual fighting between the two sides took place until halted by a UN cease-fire at the beginning of 1949. They have also come into serious conflict on economic and financial matters. Before partition, Pakistan's jute and cotton acreage and India's processing mills for these products were complementary sectors of a single economy. Since partition, however, both India and Pakistan have sought to become self-sufficient in the growing and processing of jute and cotton. The strains caused by this economic rivalry have been increased by the mutual imposition of restrictive trade controls and by the fact that India devalued its rupee at the time of British devaluation whereas Pakistan did not. Additional disputes have arisen over refugee properties, division of the assets and liabilities of the former British administration, treatment of religious minorities, and the division of water rights in the Punjab.

49. Over the course of time some differences have been successfully ironed out. A trade agreement was recently signed, for example, enabling Pakistan to obtain coal for its railroads and factories, and India to obtain jute for its Bengal mills, without the punitive duties formerly in effect. Partial agreement has been reached on handling the continuing migrations between East and West Bengal. Further progress will

probably be made within the period of this estimate, particularly in view of the new Pakistan cabinet's apparent desires to clear up outstanding issues with India and the scheduling of early talks between the two prime ministers. A possible basis for solution of the important Punjab waters dispute is a proposal that the World Bank finance related development projects which would provide additional irrigation for both countries.

50. Although India–Pakistan relations are now better than at any time since partition, formal agreement on the pivotal Kashmir issue remains unlikely in the near future. India, which not only controls the most valuable parts of Kashmir but also claims that the state is already legally part of its territory, has little desire to risk its present position under the UN demilitarization and plebiscite proposal to which it has agreed in principle. It has therefore refused to proceed with demilitarization except on terms prejudicial to Pakistan, and has repeatedly hinted that partition offers the only solution. Pakistan, with the weaker bargaining position, appears more willing to compromise and may eventually become reconciled to its inability to shake India's grip on Kashmir; there are already some signs that Pakistani emotionalism on the subject is beginning to subside. Until such time as Pakistan is ready to accept the loss of Kashmir, however, the Pakistanis are unlikely to accept demilitarization and plebiscite terms which would stack the cards heavily in favor of confirming Indian control of Kashmir. If assured of a fair plebiscite in the Vale of Kashmir, which has a Moslem majority, they might accept partition of the remainder of the state. Since the Vale is the richest and most populous area of Kashmir, as well as its historical center, India would probably be unwilling to follow through with such a plebiscite.

51. Although the military forces of India and Pakistan continue to be lined up opposite each other, there appears to be little likelihood of a resumption of hostilities. India has virtually no incentive to risk a war. Despite past talk of a second round, Pakistan's leaders, particularly the military, appear to be convinced of the folly of attacking India's superior forces.

52. Conclusion of a military assistance agreement between Pakistan and the West would increase tension in the subcontinent but would probably not lead to war between India and Pakistan. If Pakistan's military capabilities should be significantly increased as a result of such a military agreement, Pakistan's leaders might consider an attack on India. However, Pakistan's numerically inferior forces would have to be very greatly strengthened to make such a venture militarily attractive. Moreover, we believe it unlikely that Pakistan would resort to war if it had reason to believe that the Western Powers would react sharply against such a move. India, for its part, is unlikely to start a preventive war.

Relations between Pakistan and Afghanistan

53. Relations between Pakistan and Afghanistan are strained. Ever since 1947 the Afghan Government has waged an unsuccessful propaganda and diplomatic campaign for the establishment of an autonomous "Pushtoonistan" for the several million Pathan tribesmen in Pakistan's northwest frontier area.[2] The territory involved was once part of Afghanistan, and, after its annexation by British India in the late nineteenth century, its inhabitants continued to maintain close relations with their kinsmen across the border, who comprise the dominant Afghan tribal group. Pakistan's policy of extending economic aid and social improvements to the Pathan tribes within its borders has not only materially reduced their traditional restiveness but has also done much to gain their loyalty and to weaken their ties with Afghanistan.

54. Although this controversy is unlikely to result in war between Pakistan and Afghanistan, it may drag on indefinitely. The Afghan Government shows no sign of abandoning its campaign despite its apparent lack of success in arousing tribal feeling within Pakistan, and despite the fact that virtually half its external trade normally passes through Pakistan and has been intermittently subjected to Pakistan obstructions. Pakistan will almost certainly continue to hold that the status of the tribes is a domestic matter in which Afghanistan has no legitimate interest. In view of the basic nature of the tension between Pakistan and Afghanistan, any effective military collaboration between the two appears improbable.

Relations between India and Nepal

55. India and Nepal have very close cultural and economic ties. Despite its declared policy of non-interference in the internal affairs of other nations, India has actively intervened in Nepal's political affairs, particularly since the Chince Communist invasion and occupation of Tibet. India has indicated that it would take military action against Chinese Communist aggression against Nepal. In the past two years the Government of India has sent a military mission and several teams of administrative advisers to Nepal. Should the political situation in Nepal deteriorate dangerously, India would probably intervene in an effort to maintain a stable and cooperative regime.

Relations With States Outside the Area

India

56. India has pursued a policy of non-alignment in the struggle between the Soviet Bloc and the West. While India is a member of the Commonwealth and generally maintains friendly relations with the

[2] For documentation regarding the interest of the United States in the preservation of peaceful relations between Afghanistan and Pakistan with respect to jurisdiction over the Northwest Frontier Province and Tribal Areas, see pp. 1365 ff.

US, it has firmly dissociated itself from many of the diplomatic and military policies of the US and UK, and has laid great stress on preserving its independence of judgment and action. It vigorously opposes Western domination over colonial areas and is a leader in the Arab-Asian bloc in the UN. It has also sought to reduce existing East-West tensions, which it fears may result in a war that would eventually engulf India. Indian efforts in these directions also reflect a desire to exercise leadership and influence in world affairs.

57. Indian leaders believe that India has little to gain by taking sides in the quarrels of the great powers and much to lose if these quarrels lead to another world war. Although India's leaders generally recognize that Soviet policies are aggressive, they believe that under present circumstances the subcontinent itself is not a likely target of Communist military aggression and that the West overemphasizes the danger of such aggression elsewhere. India's often critical attitude toward the West stems in part from fear that Western efforts to counter the Soviet threat may touch off a war.

58. Indian apprehension concerning Western efforts to check the Communists has been particularly evident in the case of Communist China. India still believes that Communist China's leaders might be weaned away from their close tie with the USSR if the Western world gave convincing demonstrations of its willingness to live at peace with them. Although India is cooperating quietly in UN restrictions on shipments of strategic materials to Communist China, it did not vote to declare Communist China an aggressor in Korea and has continued to urge that Peiping must be provided with a way of backing out of the Korean war gracefully.

59. Despite past rebuffs from the Communist powers, India will probably continue its attempts to reach a *modus vivendi* with Communist China and will remain convinced of the importance of avoiding involvement in the East-West struggle. Indian leaders almost certainly regard recent Soviet and Chinese Communist gestures of conciliation as vindicating their views. Although further Communist military moves in Southeast Asia would greatly increase India's concern for its own security, India is unlikely to participate in Western defense preparations. In any event, India would do its utmost to resist Communist military attack on its own territory or on Nepal or Bhutan, but it would probably not assist in repelling Communist aggression against any other country except possibly Burma or Pakistan.

60. It is even more unlikely that India will give up its policy of nonalignment in favor of closer ties with the Soviet Bloc. India would avail itself of profitable opportunities for increased trade in nonstrategic materials with the Soviet Bloc, but such trade opportunities are likely to be so limited as to involve virtually no risk of drawing India into economic dependence on the Bloc.

61. India will almost certainly maintain its present position of nonalignment in the East-West struggle, regardless of Western actions, so long as it does not believe its own interests to be directly threatened. The continuation of US economic aid would contribute to Indian economic stability and might encourage a more favorable attitude toward the US, but is unlikely to induce India to make a military commitment to the West. Similarly, withholding of US aid would probably not result in Indian alignment with the Soviet Bloc, although the Indian Communists and the Soviet Bloc might be able to benefit from the psychological and economic repercussions of such action. In the long run, despite its independent and neutral policies, India's general disposition will probably remain favorable to the West in the East-West struggle.

62. The inclusion of Pakistan in Western regional defense and military assistance arrangements would almost certainly evoke strong Indian resentment, not only because of its implications for the Kashmir dispute but also because it would tend to increase Soviet military interest in the subcontinent. Western efforts to counter the Indian reaction are unlikely to be very effective. Although India would probably feel compelled to build up its own military forces to maintain a balance with Pakistan, it would probably reject any Western offer of military aid on the same terms as that given Pakistan as involving unwanted military or political commitments. Offers to guarantee borders or other Western efforts to assure India against possible Pakistan aggression would be unlikely to overcome India's resentment. However, we believe that India would wish to retain US economic assistance and to keep up at least minimal good relations with the Western Powers.

63. We believe that India will continue its efforts to establish a position as a leader among the emergent self-governing Asian states.

Pakistan

64. Pakistan, though a member of the Commonwealth, has refrained from formal commitments in the East-West conflict and has sometimes been highly critical of the West on such issues as French colonial policy in North Africa and the Western record in the Kashmir dispute. However, Pakistan's neutralism lacks the doctrinaire quality of India's. Pakistan's sympathies are definitely with the US and its allies. Its failure to align itself with the Western camp can be attributed in part to its preoccupation with the Kashmir problem and to its desire to win friends and supporters in the Moslem Middle East, but results mainly from the lack of any sufficiently attractive Western offer in return for its support.

65. If given sufficient inducement, Pakistan would probably be willing to authorize Western use of Pakistan air and naval bases in war-

time and possibly Western development of such bases in peacetime. It might also be willing to provide troops for defense of the Middle East if assured that its Indian borders would be secure. Pakistan's leaders have recently displayed keen interest in being included in a Middle East defense organization, though there are indications that they have been motivated largely by a desire to strengthen Pakistan's military position vis-à-vis India. In entering into defense arrangements with the West, Pakistan would probably seek to drive as hard a bargain as possible and would almost certainly expect substantial military and economic assistance. It would probably also seek Western security guarantees and might ask for specific Western support in its disputes with India.

66. Pakistan will remain quick to recognize the danger to its own position implicit in increased Communist pressure or actual aggression against Iran, Afghanistan, or Southeast Asia. Even if Pakistan failed to obtain sufficient Western military aid to induce it to join a defense organization, it would probably be inclined to participate in UN efforts to resist aggression in these areas to the extent which appeared safe on the basis of existing relations with India.

Afghanistan

67. A basic Afghan foreign policy objective is to avoid trouble with the USSR. Although Afghanistan is friendly toward the West, it depends to a considerable extent on trade with the USSR and is highly vulnerable to Soviet military aggression. If presented with a sufficiently serious threat, it would probably feel compelled to comply with almost any demand the USSR might make of it.

68. In view of Afghanistan's dispute with Pakistan over Pushtoonistan, the Afghans would tend to resent the inclusion of Pakistan in Western defense arrangements, but it is unlikely that such action would significantly affect Afghan policies.

Editorial Note

On October 7, 1953, Vice President Richard M. Nixon and his party embarked upon a goodwill tour of the Far East. In addition to visiting various Far Eastern states, the Vice President also journeyed to South Asia, where he visited Ceylon from November 27 to November 29, India from November 29 to December 4, Afghanistan from December 4 to December 6, and Pakistan from December 6 to December 9. After proceeding on to Iran, the Vice President and his aides returned to Washington on December 14, 1953. Extensive documentation regarding this trip is in Department of State file 033.1100 NI.

S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda"

Draft Statement of Policy Proposed by the National Security Council [1]

SECRET [WASHINGTON, February 19, 1954.]

NSC 5409

UNITED STATES POLICY TOWARD SOUTH ASIA

(India, Pakistan, Afghanistan, Ceylon and Nepal)

I. GENERAL CONSIDERATIONS

1. The United States is profoundly concerned with the future of South Asia because of its strategic location, manpower, natural resources, and growing influence in world affairs. South Asia is a major battleground in the cold war, where the efforts of leaders in some countries, such as India, to satisfy the basic needs of their peoples within a democratic framework are being tested against developments in Communist China. The loss of South Asia to communist control, although not now imminent, would be a serious psychological and political defeat for the West.

2. All of the governments of South Asia are independent, non-communist, and basically friendly to the United States. The different

---

[1] The source text and the Study Prepared by the Staff of the National Security Council (*infra*), along with a cover sheet and background note dated Feb. 19, 1954, from James S. Lay, Jr., the Executive Secretary of the National Security Council, were circulated to members of the NSC, the Secretary of the Treasury, the Director of the Bureau of the Budget, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence for their consideration as NSC 5409, "United States Policy Toward South Asia".

Lay explained in the background note that the enclosed draft statement of policy was being transmitted for the NSC's consideration at its meeting on March 4, 1954, that an NSC staff study was also enclosed for the NSC's information in connection with the draft statement of policy, and that there would be circulated separately a Financial Appendix for the NSC's information. (See Lay's memorandum to the NSC, Mar. 2, 1954, p. 1120.) Lay also informed the addressees in this background note that the draft statement of policy, if approved, would supersede NSC 98/1, "The Position of the United States With Respect to South Asia" (for the text of NSC 98/1, dated Jan. 22, 1951, see *Foreign Relations*, 1951, vol. VI, Part 2, p. 1650) ; and that, if approved, the NSC should submit the draft statement of policy to President Eisenhower with the recommendation that he approve it, direct its implementation by all appropriate executive departments and agencies of the U.S. Government, and designate the Operations Coordinating Board as the coordinating agency. (S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda")

At its 187th meeting on Mar. 4, 1954, the National Security Council considered and adopted the draft statement of policy contained in NSC 5409, subject to an amendment set forth in NSC Action No. 1052 (S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1954"), and submitted NSC 5409 to President Eisenhower for his consideration. (See the Memorandum of Discussion at the 187th Meeting of the National Security Council on Thursday, Mar. 4, 1954, p. 1126.)

On Mar. 8, 1954, Executive Secretary Lay circulated another memorandum to the members of the NSC, the Secretary of the Treasury, the Director of the Bureau of the Budget, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence notifying them that President Eisenhower on Mar. 6 had approved the statement of policy contained in NSC 5409, as amended. (S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda")

traditions, institutions and current attitudes of the South Asian countries often obscure the extent to which their fundamental objectives are similar to those of the West. Some of these countries presently cooperate with the West to a limited extent and others, with U.S. assistance, could become useful allies in the future, even though they are presently weak militarily and economically, compared to the United States.

3. There are, however, serious restraints to close association with the United States in every case except that of Pakistan. India is committed to a policy of non-alignment in the East-West struggle which often leads it to oppose Western policies. Its leaders sometimes give the impression that they are speaking for other countries of free Asia. Nepal is closely dependent on India. Afghanistan is vulnerable to Soviet economic and military pressure. Ceylon presently is marketing most of its rubber in Communist China. Emotional barriers to closer relations with the United States also exist; i.e., the United States is cooperating closely with the former great colonial powers (particularly France) and has, despite its good record in colonial affairs, become associated in South Asian minds with memories of European colonialism, with what they regard as "economic imperialism," and with color discrimination.

4. The problems of the countries of South Asia are formidable; serious political issues are intensified by grave economic difficulties. The governments in the area are in varying degrees concerned with remaining in power, establishing workable and lasting democratic political institutions, improving economies suffering from agricultural and industrial underdevelopment and population pressure, and resolving internal conflicts created by rapid social evolution. In addition there are bitter disputes between countries of the area over a variety of issues.

5. Three of the South Asian countries, India, Pakistan and Ceylon, are members of the Commonwealth of Nations. Their continued participation subjects them to the stabilizing and moderating influence of other members of the Commonwealth and strengthens their psychological bonds with the West. This association affords an additional channel which can be employed, as appropriate, for the furtherance of United States objectives in the area.

6. Communist imperialism elsewhere in Asia gives special urgency to progress in the solution of South Asia's problems. The threat to the area arises not so much from the danger of communist military aggression as from the danger of internal disintegration, subversion and communist diplomatic pressure. Although subversion is not now serious, it may become so if economic and social progress is not achieved in the South Asian countries. If India does not achieve substantial economic and social progress through democratic processes,

and on the other hand, Communist China appears to be moving forward through totalitarian methods, the peoples of South Asia may turn to communist leadership and methods for a solution of their own problems.

7. United States policy in South Asia must necessarily give particular emphasis to the primary powers in the area—India and Pakistan. India, with a population of over 365 million, is the most powerful politically, economically and militarily of the South Asian countries (although by United States standards it is economically and militarily weak), and ranks as a major industrial nation of Asia. It has the greatest potentiality of any South Asian country for making a long-term constructive contribution to the free world, although its policy of "non-involvement" inhibits close cooperation. India is, however, confronted with a number of serious problems, including popular demand for an increase in the standard of living, desirability of an increase in food production, availability of funds for economic development, and the rapid increase in India's population which is being augmented at the rate of 1.4 per cent, or nearly 5 million persons annually. U.S. assistance has been largely devoted to agriculture, most directly to increasing the annual production of food grains, which is an important part of India's Five Year Plan. Pakistan, with its 78 million population separated into two parts by a thousand miles of Indian territory, is weaker than India. It does possess, however the greatest current potential, next to Turkey, for contributing to Middle East defense. Both India and Pakistan have serious need for outside assistance to realize their potentialities.

8. Effective military defense of South Asia is contingent upon the military cooperation of the countries of the area both among themselves and with the Western powers. These countries have not, however, been inclined to cooperate, although they are more aware each year of the dangers which the Communist bloc presents. Regional disputes, depressed economies and fear of involvement in a major war have deterred them from cooperation in regional defense. India, the strongest power, advocates a policy of "non-involvement". In recent months Pakistan, however, has indicated a willingness to enter into closer defense relations, through an area arrangement as with Turkey, or directly with the United States.[2] An arrangement with Turkey might, at a later stage, be expanded to include other Middle Eastern states, particularly Iraq and possibly Iran. Pakistan's membership in such a defense arrangement would be most desirable. The possibility of U.S. military aid to Pakistan has provoked a severe adverse reaction in India.[3] A result may be intensification of differences in U.S.-Indian

[2] For documentation, see volume IX.

[3] For documentation regarding the granting of U.S. military aid to Pakistan, see pp. 1818 ff. and volume IX.

relations and possibly more friendly Indian relations with the Soviet bloc, although there would probably not be any major change in India's foreign policies.

9. United States emergency assistance, and developmental and technical aid, are currently strengthening the governments and economies of the South Asian countries, creating among their peoples a more friendly feeling toward the United States, and helping to overcome the psychological objections of these countries to closer association with the United States, although only time can cure some of their deep-seated prejudices.

10. The period of the next few years is likely to be one of continuing economic difficulties which must be surmounted if adverse political developments are to be avoided or confronted successfully. United States policy may be a strong factor in determining whether the countries of the region will continue to develop in the democratic framework or will fall under communist control.

II. OBJECTIVES

11. Strong, stable and responsible governments in South Asia, friendly to the United States and having the will and ability to resist communism from within and without.

12. Greater cooperation and closer affiliation among the South Asian countries and between them and the free world, and full recognition by them that their national interests are best served thereby.

13. Perceptible improvement in the basic economies of the South Asian countries.

14. A posture of military strength in the area contributing to area stability and as appropriate to the defense of the free world.

III. COURSES OF ACTION

A. *South Asia in General*

Political

15. Give particular emphasis to the maintenance of cordial official and personal relations in all areas of contact, and where possible increase those areas of association.

16. Vigorously pursue effective information and education programs designed to broaden support for actions consistent with U.S. policies and to diminish susceptibility to communist appeals.

17. Encourage greater participation in all UN activities by South Asian countries which are members of the UN.

18. Assist through the UN and by other feasible means in the settlement of disputes between the various countries.

. . . . . .

Economic

20. Assist the governments of the area to develop their natural resources, particularly agricultural, and their basic industrial potential, including the provision of technical assistance and limited economic aid.

21. Foster South Asian conditions and governmental policies favorable to the investment of indigenous and foreign private capital in such economic development of the area.

22. Be prepared to extend emergency aid as circumstances justify on a case-to-case basis to alleviate unexpected food shortages or the effects of natural disasters.

23. Encourage and assist where possible South Asian states to expand their trade with friendly neighboring countries, with the United States, and with other countries of the free world.

24. Continue diplomatic, psychological and propaganda efforts to discourage and where possible prevent shipment of strategic materials to the communist bloc.

25. Encourage judiciously and, as appropriate, provide guidance for such action by South Asian governments in the general area of land reform as will contribute to increased agricultural production and internal stability.

Military

26. As politically feasible, seek to obtain (*a*) the use of military and strategic facilities in South Asia, including communications, transit and base rights and (*b*) the right to operate forces in the area upon the threat of and during general hostilities.

27. Encourage participation of the nations of South Asia in regional defense arrangements coordinated with those in adjacent areas.

28. Provide to selected South Asian nations limited military aid, reimbursable or grant, contributing to the maintenance of internal security and the defense of the area.

General

29. Utilize the above political, economic and military courses of action whenever necessary and practicable to encourage cooperation with the United States in attaining its objectives in the area.

30. In the event of an attempted communist seizure of power in a South Asian country:

a. Continue supporting its non-communist government and attempting to secure similar support from other free world nations.

b. Consider contributing military support if necessary and useful.

31. In the event of an actual communist seizure of power in a South Asian country, consider supporting a non-communist government, attempting to secure similar support from other free world nations, and contributing military support if necessary and useful.

B. *India*

(In addition to courses of action in Section A above)

32. Recognize that India exerts a growing influence in world affairs (particularly in UN matters and in issues between the United States and the Soviet bloc) while avoiding actions which appear to support India as the leader of the free Asian nations.

33. Continue and increase close consultation with the Government of India on matters of policy and encourage it to consult more frankly with us, without permitting Indian opposition to deter us from taking actions which are clearly in the U.S. interest.

34. Make clear to India that by providing military assistance to Pakistan, the U.S. is not seeking to make Pakistan the dominant state of South Asia.

35. Encourage India to remain united.

36. Support the continuation in power in India of elements which are non-communist and friendly to the United States, recognizing that at present the incumbent Congress Party comes closest to fulfilling these specifications.

37. Seek to develop India's eventual participation in a common front against communism.

38. As practicable, exploit differences between India on the one hand and the Soviet bloc and Communist China on the other so as to discredit communism.

39. Seek to insure that in the event of general war India will make available manpower resources and strategic facilities for mutual defense efforts with the West.

40. Recognize that for the present India's policy of "non-involvement" will continue; and make use of India as a mediator when it is in U.S. interests.

41. Continue to support representation of India on UN bodies to an extent fully appropriate to its status as a major Asian power.

42. Continue to make clear to India that the Kashmir issue should be settled by mutual agreement between India and Pakistan, that the United States is willing to assist through the UN and by other means, but that the United States has no ulterior motives or hidden objectives which would be fostered by settlement in favor of either country.

43. Seek through official statements and communications media full recognition by the Government and people of India, of (*a*) the communist threat to India (*b*) U.S. support for India's independence and (*c*) the contribution which the United States is making to India through economic and technical aid.

C. *Pakistan*

(In addition to courses of action in Section A above)

44. Support the present government of Pakistan so long as it remains friendly to the United States, and seek to insure that any suc-

cessor government is not Communist controlled and is friendly to the United States.

45. Continue and increase close consultation with the Government of Pakistan on matters of policy and encourage it to consult more frankly with us.

46. In carrying out U.S. policies in South Asia, make maximum use of Pakistan's favorable attitude toward the West.

47. Seek greater participation of Pakistan in a common front against communism.

48. Make clear to Pakistan that our objective in the Kashmir issue is a solution acceptable to both India and Pakistan and that in this issue we are not prepared to support either country against the other.

49. Encourage Pakistan's participation in any defense association which is judged to serve the interests of the United States. Priority should be given to the establishment of such an arrangement between Pakistan and Turkey.

50. Seek to insure that in the event of general war Pakistan will make available manpower, resources and strategic facilities for mutual defense efforts with the West.

51. Give special consideration to Pakistan in providing grant military assistance, in view of Pakistan's attitude and key position among the countries of South Asia with respect to military collaboration with the West.

D. *Afghanistan*

(In addition to courses of action in Section A above)

52. Support the continuance of the government in its present form in the absence of conditions under which a more representative government could come into existence without the serious threat of chaos or of the advent of power of a group subservient to the Soviet Union.

53. Discourage Afghanistan's Pushtoonistan claims.

54. For the present refrain from encouraging Afghan expectations that the United States will extend military assistance.

55. Avoid giving the impression that the U.S. favors participation of Afghanistan in a regional defense arrangement at this stage, without foreclosing the possibility of such participation at a later date.

56. In the event of overt attack on Afghanistan by Soviet forces:

a. Attempt through diplomatic measures to arrest the action and to obtain prompt withdrawal of Soviet forces.

b. If unsuccessful, decide in the light of the circumstances existing at the time what further action to take through the UN or otherwise.

E. *Ceylon*

(In addition to courses of action in Section A above)

57. Endeavor to maintain the friendly relationship between the United States and Ceylon which continues despite the strains imposed by Ceylon's trade in rubber with Communist China.

58. Support the retention by the UK of military facilities required by the free world in time of peace or in the event of war.

59. Continue to urge Ceylon to discontinue its trade in rubber with Communist China.

60. When Ceylon discontinues its rubber shipments to Communist China and indicates its willingness to assume UN obligations, be prepared:

a. At Ceylon's request, to extend technical assistance.
b. To support Ceylon's application for UN membership.

F. *Nepal*

(In addition to courses of action in Section A above)

61. Encourage further progress toward a representative government in effective control of the country.

62. Encourage Nepal to strengthen its internal security and armed forces with Indian assistance.

63. Encourage Nepal to continue its efforts to reorganize and improve its economic and financial institutions for the benefit of its people.

S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda"

Study Prepared by the Staff of the National Security Council

SECRET [WASHINGTON, undated.]

NSC 5409

UNITED STATES POLICY TOWARD SOUTH ASIA

THE IMPORTANCE OF THE AREA

1. The United States is profoundly concerned with the future of South Asia because of its strategic location, manpower, natural resources, and growing influence in world affairs. South Asia is also a major battleground in the cold war where the efforts of leaders in some countries, such as India, to satisfy the basic needs of their peoples within a democratic framework are being tested against developments in Communist China. The loss of South Asia to communist control, although not now imminent, would be a serious psychological and political defeat for the West.

Strategic location

2. South Asia forms a great land bridge between the countries of Southeast Asia and the Middle East. It has several thousand miles of common frontier with the Soviet Union and Communist China. It is in close proximity to the communist-controlled areas of Central Asia with which it is culturally and ethnically related, a factor which might be of future advantage to the United States. It has seaports and naval bases from which control could be exercised over shipping passing

through the Persian Gulf, the Arabian Sea, the Bay of Bengal and the Indian Ocean; bases and communications facilities for insuring uninterrupted communications between Europe and Southeast Asia; and some air bases of value as post-strike facilities in strategic air attacks against the USSR. In case of a protracted war, the area contains many potential sites for additional military installations from which allied power could be directed against the Soviet bloc.

3. Nevertheless, if South Asia remains free from Soviet domination, its strategic importance in the initial phases of general war would not be as great as that of Europe, the Far East, Southeast Asia, the Middle East or North Africa. The mountain and ocean barriers separating South Asia from the Soviet bloc make the area relatively immune to direct land or naval attack of significant size. The great distances involved and the relative unimportance of the industrial targets in the area would make an attack both costly and unprofitable. As a result, the area is not faced with the same threats of attack that so influence the other nations of Eurasia. The sole exception to this geographical immunity is Pakistan, which might be drawn into general war as the result of a Soviet invasion of Iranian territory. Despite these factors, the three members of the British Commonwealth, India, Pakistan and Ceylon, might make an important contribution in a global war if they made their bases and great manpower resources available to the free world.

Manpower

4. South Asia has great potentialities in manpower. The countries of the area contain some 477 million people. During World War II the Indian Army, with more than 2,000,000 troops, was an important contributor of military manpower to the British war effort. Nepal, small as it is, continues to supply troops of considerable importance to the British. In a general war involving the free use of atomic weapons by both sides, the conflict might be of short duration, in which case the manpower resources of South Asia could not be made effective and brought to bear on the enemy in time to be of value. However, in a long war requiring large combat forces this area would be of great value to the West as a source of manpower to offset that of the Soviet bloc. It is highly desirable that this manpower not pass to Soviet control during the cold war but remain available to the free world in case of need in general war.

Natural resources

5. South Asia, particularly India, has extensive natural resources including certain materials most useful to our national defense. Among them are manganese ore, mica, graphite, jute, kyanite, shellac, and other important metallurgic and fissionable materials such as beryl and monazite derivatives. The resources of the area, along with exist-

ing and possible industrial development in India, constitute a basic war potential of some importance.

Influence in world affairs

6. The countries of South Asia, particularly India and Pakistan, are developing increasing influence in world affairs. Only Afghanistan and Nepal were independent prior to 1947. Since that time, India, Pakistan, and Ceylon have each become independent, freely managing its own internal and external affairs. India and Pakistan have strengthened their ties with the Muslim nations. India and Pakistan have been especially active in UN affairs and have frequently been helpful to the United States although India, unlike Pakistan, has abstained on a number of East-West issues. India's role in the negotiations leading to the armistice agreement in Korea was a crucial one.[1] Fifteen of the Arab, Asian and African nations represented in the UN have formed a bloc in which India and Pakistan play a leading role. On racial and colonial issues, this bloc generally presents a united front in opposition to the policies of the colonial powers as well as to the more moderate position of the United States. The growing influence of the South Asian countries in their relations with other countries in the area and elsewhere and in the United Nations makes their friendly cooperation of great importance to the United States. Furthermore, the shift in the balance of world power which has resulted from the consolidation of communist control in China has given an increased emphasis to the attitudes and actions which these countries may adopt.

"*Democracy versus Communism*"

7. The outcome of the competition between Communist China and certain South Asian countries operating within a democratic framework, as to which can best satisfy the needs of peoples, will have a profound effect throughout Asia. Most of the South Asian countries are underdeveloped and overpopulated, with resulting low standards of living. The principal task of the present governments in these countries, especially in India and Pakistan, is to bring about economic growth at a sufficiently rapid rate to meet the essential needs of its peoples. A similar situation has long existed in mainland China. In most of the South Asian countries this task is being tackled by governments operating on Western democratic lines, whereas in Communist China economic progess is sought by totalitarian methods. To South Asians, who thought that independence would bring immediate improvement, progress in their own countries at times seems slow compared with gains which the Communist bloc countries report. Communist political groups and communist propaganda constantly assert that Stalin and Mao have brought great economic benefits to millions of people under their control. The continuance in power of

[1] For documentation regarding Korea, see volume XV.

the present governments in the South Asian countries rests on their ability in the near future to demonsrate that economic progress is being achieved by democratic means. If they are unsuccessful, an increasing number of South Asians may become susceptible to Communist argument that the only alternative is the adoption of methods employed in communist countries, particularly Communist China.

Loss to communist control

8. Communist control of Afghanistan and Nepal would open invasion routes into the heart of the sub-continent and would sharply increase the pressures on India and Pakistan. Loss of India or Pakistan would constitute a major reverse to the free world and loss of the remainder of South Asia would almost inevitably follow. Loss of Ceylon would be serious primarily because of its importance as a communications center and as the site of an important naval base. The loss of all South Asia to the Soviet bloc would immediately have serious psychological and political effects throughout the world. Such loss would extend communist control to include nearly half of the world's population. In all other free countries, confidence in the capacity of the free world to halt the expansion of communism would be greatly reduced. Effectiveness of the UN to the West would greatly decrease. In the absence of decisive Western counter-action, communist control over South Asia would be speedily followed by the loss of much of Southeast Asia. The Middle Eastern countries, particularly Iran, would be shaken. In addition, the loss of the area would eliminate any prospect of the eventual availability to us of South Asian forces and facilities, would require a diversion of Western strength to meet the new shift in world power, and would confront us with the new threat posed by the probability of considerable communist success in gradually mobilizing and exploiting the substantial economic resources of South Asia.

ASSOCIATION OF SOUTH ASIA WITH THE UNITED STATES AND THE FREE WORLD

9. All of the governments of South Asia are independent, noncommunist and basically friendly to the United States. The different traditions, institutions and current attitudes of the South Asian countries often obscure the extent to which their fundamental objectives are similar to those of the West. With United States assistance India and Pakistan could become useful allies, even though they are presently weak militarily and economically, compared to the United States. However, there are certain restraints to close association with the United States—(1) psychological inhibitions common to the area, and (2) serious restraints peculiar to each country except Pakistan.

Psychological inhibitions common to the area

10. For almost 450 years the Indian sub-continent was subject to exploitation by European powers. It began with incursions by trading

and commercial interests and led to complete foreign control of the greater part of the sub-continent. Economic exploitation led to political domination. The subject people were colored, and in time their colonial status led to the widespread assumption by their white rulers that the colored races were inferior ones and should be treated as inferiors. Resentment of the South Asians against being regarded and treated as inferiors has been intensified over the years by discriminatory treatment as in South Africa, by exaggerated reports of mistreatment of colored people in other countries, particularly the United States, and by humiliations suffered by South Asian visitors to the United States. The irresistible force of nationalism eventually burst the bonds of foreign domination in South Asia and brought the new countries of India, Pakistan and Ceylon into being. Independence alone, however, could not remove the mental and spiritual scars of bondage, the rankling memories of and fierce resistance to color discrimination, and the deep-rooted suspicions of Western colonial nations. Moreover, the South Asian countries see that the United States is cooperating closely with the former great colonial states and consider that U.S. policy, wealth and power have supported those states in maintaining their power, particularly in the case of France, in Tunisia, Morocco and Indochina. Consequently, the United States has, despite its good record in colonial affairs, become associated in South Asian minds with memories of European colonialism, with what they regard as "economic imperialism", and with color discrimination. The result is an emotional barrier in South Asia to closer relations with the United States.

Restraints peculiar to each country

11. *India—Policy of "non-alignment"*. Jawaharlal Nehru, Prime Minister and Foreign Minister, is the creator and chief exponent of India's foreign policy. Proud, gifted and moody, he dreams of making India a great power while he concentrates on the economic and social development of his people. Although attracted as a young man to Marxian teachings, Nehru later came to reject them and now regards them as obsolete and even reactionary. He believes in strong control by the central government, but since his accession to power he has come to acknowledge the need for support from all groups of society. Contradictions arising from his racial background, western education, innate feelings of personal superiority and proud and obstinate character make dealing with him difficult. However, to deal with India one must deal with Nehru. Possessor of a powerful personality, he has a tremendous influence over India's masses and is the single greatest force in the Congress Party and in the Indian Government, both of which he completely dominates. The strongest element in Nehru's foreign policy is the desire for peace, which Nehru and his associates consider a prerequisite to achievement of essential economic improve-

ment. Nehru and other Indian leaders believe that the only way to avoid war is to avoid alignment with either the Soviet Union and its satellites or the United States and its allies. Furthermore, India's leaders are drawn to Communist China by legendary bonds of friendship and culture, and by psychological ties arising from the fact that the Chinese as a colored race and as Asians, have asserted themselves against the West. This attraction is somewhat reduced by the brutal methods which the Communist Chinese have used, their aggressive activity in Asia, and their military strength, together with their long common frontier with India. These factors have created some feelings of apprehension in India. The Indians believe, however, that Communist China can be won away from the Soviet Union, and that eventually the former will lead an independent course. It can be expected that India will go to great lengths to win Red China's friendship. An additional problem is that India regards the United States as being closely associated with the colonial powers and responsive to the demands of those powers in protecting their interests. Since India regards the United States as the strongest of the great powers, it fears and envies it accordingly. However, the extension of United States technical and developmental aid has demonstrated to India, U.S. interest in and sympathy with India's problems.

12. *Afghanistan—Soviet proximity.* During the time of British rule in India, Afghanistan maintained a precarious security as a buffer state between British and Russian power. Now with a relative power vacuum about its non-Soviet borders, Afghanistan must rely largely on public opinion and world tensions to protect it from its Soviet neighbor. Afghanistan's political relations with the USSR were stabilized by a treaty of neutrality and non-aggression signed with that country in 1931. The Soviet Union lies along the entire length of Afghanistan's long northern border. The people living in northern Afghanistan and on the Soviet side of the border are of the same racial origin. Afghanistan has a population of only 12,000,000 people and is weak economically and militarily. The Afghan Government therefore, tries not to offend its northern neighbor. The Soviet Union from time to time has found occasion to exert warning pressure on the Afghan Government, the most recent being the Soviet *démarche* to Afghanistan in August 1952 citing the treaty of 1931 and protesting oil exploration by UN experts in northern Afghanistan. Thus Afghanistan's basic friendly feeling toward the United States and desires for closer association with us are restrained by the threatening presence of the Soviet Union. Nevertheless, Afghanistan has found it possible to develop the southern areas of its territory with loans obtained from the Export-Import Bank.

13. *Ceylon–China rubber trade.* Ceylon's normally friendly relations with the United States are overshadowed by its trade in rubber,

a strategic material, with Communist China. That trade necessitated suspension of United States technical assistance to Ceylon because of the provisions first of the Kem Amendment [2] and later of the Battle Act. Ceylon began shipping rubber to Communist China in October 1951, for which it was paid premium prices. In December 1952 Ceylon ratified a five-year agreement with Communist China whereby it agreed to provide that country with rubber at premium prices, and Communist China agreed to provide Ceylon with rice at a lower than market price. Thus Ceylon is taking the risk that a major portion of its economy may become tied to that of a communist country. In spite of some anti-American feeling in the past, the United States considers Ceylon to have a pro-United States, free world orientation, and to have tried to minimize the strain on its relations with the United States caused by its trade in rubber with China.

14. *Nepal—Ties with India.* Nepal is a virtual dependency of India, and that country is reluctant to permit any other to establish close relations with Nepal. In addition, the Nepalese are suspicious of all foreigners. Within those limits, Nepal is friendly to the United States although from time to time it tries to play us off against India. Nepal is small, landlocked mountain kingdom best known for its Gurkhas, who under the British, and in the Indian army, have made first-class soldiers. Nepal remained independent even during the height of British power, but since the advent of freedom in the sub-continent it has come more and more under Indian influence. India regards Nepal as of high strategic value and Nehru has declared that any attack on Nepal would be regarded as an attack on India. The Indians are apprehensive of our information and technical assistance activity in Nepal, so it is very important that they feel themselves well informed of our activities in that country. Our policy should be independent, but we should keep the Indians apprised of our objectives and what we are doing.

INTERNAL POLITICAL AND ECONOMIC PROBLEMS

15. The governments of South Asia are confronted with formidable political and economic problems. The major ones are: (*a*) establishment of lasting democratic political institutions; (*b*) perceptible economic improvement; (*c*) internal social conflicts; (*d*) threats to internal political stability; (*e*) regional conflicts; and (*f*) the threat of communism.

Establishment of lasting democratic political institutions

16. *India.* India adopted its constitution in November 1949 and under it became a "sovereign democratic republic" on January 26, 1950. In 1951–1952 India conducted its first nation-wide elections

[2] The Kem Amendment was subsection (*a*) of section 1302 of the Third Supplemental Appropriation Act of 1951, which was signed into law on June 2, 1951, as Public Law 45. For the text, see 65 Stat. 63.

under that constitution, the largest free elections ever held. The constitution seems to be working satisfactorily. It is a document which in some considerable part consists of statements of goals rather than of law, some of which will take time to implement because of the rigidity of the social system. For example, the constitution abolishes "untouchability", but the untouchable class, numbering some 50 million people, still remains as an underprivileged and discontented minority. One of the greatest achievements of the government of India following the withdrawal of the British and the partition of the subcontinent in 1947 has been the creation without bloodshed of a union of states with effective control in the hands of the central government. Although sentiment in favor of cohesion, which springs from the long struggle for independence, continues strong, there are a number of factors which tend to lead to a breaking up of Indian unity. These include: (*a*) its large area which is approximately half that of the United States; (*b*) the variety and complexity of customs and religious beliefs; (*c*) the diversity of its peoples and linguistic differences; and (*d*) regional political and economic interests. Linguistic differences are of present importance because there is an active movement for redrawing the state boundaries along linguistic lines rather than retaining the old administrative ones developed by the British. This movement has been successful in severing from the populous province of Madras the Telegu-speaking area of Andhra which on October 1, 1953 became a separate state. The movement for linguistic states, if continued, might eventually lead to disorganization within India which, at a time when India is struggling with great economic and political problems, would have serious consequences. It is also possible that disorganization in India might proceed to the point of separatism which, aside from the obvious implications for India, would create an area of great instability in South Asia which the Communist bloc could exploit at will to the disadvantage of the free world.

17. *Pakistan.* Pakistan has not yet been able to enact a constitution satisfactory both to the mullah-dominated proponents of an Islamic state and the progressive-minded groups who desire a secular state; nor one which is acceptable to the political groups in East Pakistan and their antagonists in West Pakistan as to the representation to be accorded their respective areas. It appears, however, that certain compromises of these basic questions are being found and a new constitution soon may become law. Meanwhile, Pakistan's constituent assembly continues as its parliament. During the administration of the former Prime Minister, Kwaja Nazimuddin, political and economic conditions in Pakistan became so bad that the Governor General and a number of military leaders consulted together and summarily removed Nazimuddin and replaced him with Mohammed Ali, at that time Pakistan's Ambassador to the United States. This step is believed to have been

213-752 O - 83 Vol XI - Pt. 2 - 4

carried out in a legal manner. Recognizing the danger of creating a precedent, the present government is working vigorously on a constitution which it hopes to have accepted in the near future.

18. *Afghanistan, Nepal and Ceylon.* In Afghanistan progressive democratic aspirations have been granted little more than token expression. Afghanistan's constitutional monarchy permits all Afghan men over 20 to vote, but the government is under the almost complete control of the royal family. Nepal, formerly a monarchy under the despotic control of hereditary prime ministers, since early 1951 has been struggling with almost complete lack of success to establish a popular government under cabinet rule. Ceylon's constitution, which permits universal suffrage, has been relatively successful as a means of providing democratic government in that island.

Perceptible economic improvement

19. *General.* The economic problems of the countries of South Asia have reached huge proportions. The traditionally low standard of living has been further declining for over a decade. Land tenure systems are antiquated and uneconomic. Agricultural methods largely are primitive, irrigation inadequate, food shortages chronic, and famine commonplace. Natural resources and industry are acutely underdeveloped. The constantly increasing pressure of population on underdeveloped resources requires developmental measures of great magnitude. The people of the newly-independent countries had exaggerated beliefs as to the immediate benefits that independence would bring. They thought freedom from British rule would mean freedom from want, and they have been sorely disillusioned. Having rejected the low standards of living which they had accepted without complaint for centuries, the people are actively discontented with existing social and economic conditions. They are tempted by the communists, who attack and obstruct economic development plans of the present government, as well as by extremist reactionary groups. The latter, such as the Hindu Mahasabha, though small in number, have an influence disproportionate to their size, because their tenets have strong roots in Hindu culture and past Hindu glory. The South Asian governments are on trial. If democratic government is to survive in South Asia, it must prove its worth by bringing about perceptible improvement in the economic conditions of the people.

India

20. India is confronted with a number of serious problems, including popular demand for an increase in the standard of living, desirability of an increase in food production, availability of funds for economic development, and the rapid increase in India's population which is being augmented at the rate of 1.4%, or nearly 5 million persons annually. The amount of available food is limited by the loss of food-

producing areas to Pakistan in the partition of the sub-continent and to such factors as unreliable water supply, outmoded methods of cultivation, current conditions of tenancy, and fragmentation of holdings. Consumption is further limited by problems of distribution and lack of purchasing power. The Indian Census Commissioner has estimated that to barely meet the expected population increase (without raising present standards of consumption or increasing food imports) his country would have to increase agricultural production over 1951 levels by 21% by 1961, 37% by 1971, and 54% by 1981 when it is estimated that the population will reach 520 million, if not checked. India has been importing food grains at an average annual rate of 2–4 million tons, at a cost of approximately 30% of her total export earnings. However there are prospects for a considerable increase in domestic grain production in 1954. The U.S. program of technical and special economic assistance has been largely devoted to agriculture, most directly to increasing by 7.6 million tons the annual production of food grains, which is an important part of India's Five Year Plan. Collateral objectives are: (*a*) production of higher proportion of high protein and protective foods; (*b*) improvement of distribution facilities; (*c*) improvement in the management of soil and water resources.

21. India's exporting position is weak at this time. India's cotton textile exports have been falling largely because of Japanese competition. The jute market is declining. India is meeting increasing competition in the field of manganese. This is also the case for mica, for which industrial substitutes are being developed.

22. Indian industry is in its infancy. Its two large steel mills produce relatively little capital goods. India will be unable to meet domestic steel requirements for 10 to 20 years. However, its potential is high from the standpoint of vast reserves of iron ore, coal, bauxite and other minerals, and from the standpoint of processing of these raw materials.

23. *Extent of investment in India.* U.S. private investment in India is very small, probably about $100 million. The most important single recent U.S. investment is the $35 million oil refinery for which Standard Vacuum Oil Company received authorization in 1953, and the recently concluded agreement for oil exploration and production in the Bengal basin. About two-thirds of the estimated $1 billion of foreign investment in India is held by U.K. nationals. Only 108 new projects involving private foreign capital have been approved by the government from early 1948 to mid-1952, of which 69 were British and only 13 American. Total private foreign capital invested in this period was only $115,857,000 and American capital only $40,257,000. In comparison, the Indian Five-Year Plan, scheduled to be completed by 1956, calls for an investment by India of the equivalent of $4.7 billion. Al-

though it appears that India will not be able to finance the entire program, this large public investment may well stimulate more foreign and domestic private investments.

24. *Need for investment in India.* The need for increased production of capital goods in India is particularly great, although the Government of India has also called for increased production of consumers' goods. Specifically, India has been seeking foreign capital for steel, ferromanganese, cellulose pulp, newsprint, raw film, industrial explosives, dye-stuffs, soda ash, moulding powders, and fertilizers. Indian industrialists have been seeking foreign capital for many small-scale projects for producing simple consumers goods, such as canned goods, dairy products, pressure cookers, etc. It is not known whether government approval could be obtained for these types of private foreign investments. Rejections of applications during the past year were on the grounds that the projects were too indefinite, immature, or there was no satisfactory evidence of the financial standing of the promoters.

25. Government policy on foreign investment has been ambiguous. On the one hand the GOI has encouraged foreign investment by: statements in favor of such investment, modifications of the exchange control regulations to allow repatriation of earnings and new capital; a guarantee against compulsory expropriation for 25 years accorded to oil companies; provision of some relief on taxation of profits of foreign investors; consent to negotiate a Treaty of Friendship, Commerce and Navigation with the U.S.; and inclusion in the budget presentation of March 1953 of a statement of intention to seek a tax treaty with the United States.

26. On the other hand, however, the climate of investment in India has been impaired by various government policies which reflect Indian nationalism and a fundamental distrust of western capitalism. Among these are: (1) Past Indian emphasis on nationalization of industry, which creates the fear that other (as yet unspecified) industrial activities may be nationalized. (2) Pressure for the employment of Indian nationals. (3) Reluctance in its FCN treaty negotiations to provide for capital transfers under all conditions and a reluctance to take out of the hands of Parliament the determination of just compensation in the event of nationalization. (4) The existence of the Industries Development and Regulation Act which arouses in the minds of the potential investor fears of government interference in management, pricing, and even manufacture itself.

Pakistan

27. Pakistan's severe economic difficulties have been somewhat concealed since partition by (1) an excellent harvest at the time of partition; (2) cash reserves gained at that time and since drawn down, perhaps unwisely; (3) the Korean boom in jute and cotton. Pakistan's original Six-Year Plan (1951–1957), scrapped in 1953, was based on

a falsely favorable estimate of her situation. A new Five-Year Plan should be formulated by the end of 1954. Pakistan's natural self-sufficiency in food has been temporarily upset by the disruption of their agricultural system due to drought and insufficient canal water.

28. Pakistan has practically no industry. Practically all the manufacturing capacity of the sub-continent fell within the new India, at partition. The rate of capital formation and investment in Pakistan is very inadequate and foreign investment is negligible. Capital formation in the fields of textiles and power is on the rise, however.

29. About three fourths of the U.S. program of technical and special economic assistance to Pakistan is specifically devoted to agriculture, and part of the remainder will also benefit agriculture indirectly. It is proposed in FY 1955 to emphasize rapid increases in food production to avoid deficits like those of the past two years by increasing productivity on land already cultivated and by bringing new land under cultivation and extending irrigation.

Internal social conflicts

30. In all of South Asia and particularly in India, internal conflicts created by the evolution of new social patterns are a serious disuniting factor. Those conflicts were created by the impact of western ideas, religious beliefs, moral values, and productivity upon the folkways and mores of a society in which the masses are plodding, illiterate, sub-marginal farmers. All classes have been shaped by a way of life which stratified society according to caste and legalized oppression of the lowest. Western values acquired a special meaning, because they were supported by strong military force and by advanced technologies and sciences. Western experience also infused a new element into the historic Hindu-Moslem conflict which had torn the sub-continent for centuries—that of nationalism. Many South Asians have accepted Western values and discarded those of their fathers. Others have attempted to select desirable elements from both. Some have reverted fanatically to their traditional beliefs. Great numbers have relinquished their old beliefs and rejected the Western ones, and drift aimlessly, or fall prey to the false leadership of the communists. The old ways of life are giving way, or being modified; the strictures of caste and custom are being broken; and the resulting conflict is a serious source of weakness to the South Asian countries.

Threats to internal political stability

31. The governments of the South Asian countries are currently struggling with major political and economic problems such as the establishment of workable political institutions, perceptible economic improvement, internal social conflicts and various regional conflicts. While endeavoring to resolve these various problems, opposition political groups in each country are constantly taking advantage of weaknesses and failures of the governments to force them from power.

Among these opposition groups, indigenous communists, although numerically small, represent a potential threat to continuing political stability. The loss of power by any one of the political parties presently in control in the South Asian countries would probably be harmful to U.S. security interest in the area.

32. *India.* India's first general nation-wide election was held under full adult suffrage and with an electorate of approximately 170,000,000 voters, of which 106,000,000 actually voted, the largest number in the history of free democratic elections. The Congress Party received 44.9% of the votes, the Socialist Party 10.5% and the communist 4.5%. Membership in the Communist Party of India totals only about 40,000. The concentration of communist strength in particular areas enabled them to win 23 seats in the central House of the People as compared to 12 for the Socialists out of a total of 489 seats, and 181 seats in the state assemblies as compared to 126 for the Socialists out of a total of 3370. The Communist Party's success in the elections considerably enhanced its opportunities for political action, but its further progress has been retarded by tactical and organizational disagreements. Unless the Congress Party can supply the needs of the people, it may lose its popular support and be succeeded by a series of weak coalition governments. In such an eventuality, there would be strong efforts by the nationalist extremists and by the communists to seize control. The outcome would indeed be uncertain, but undoubtedly harmful to U. S. interests.

33. *Pakistan.* In Pakistan the Muslim League is the only political organization on a nation-wide basis. It completely controls the Government, but is torn by provincialism, religious factionalism and personal ambitions and jealousies within the party leadership. Its present government is relatively strong and stable, but if unsuccessful in its efforts to obtain U.S. military assistance will be greatly weakened and might even be forced to resign. Under such circumstances, a successor government would come from the leaders of the Muslim League, but would be much less friendly to the United States. If the Muslim League is unsuccessful in bringing appreciable economic progress to Pakistan within the next few years, its leadership will be discredited in the popular mind and political opposition will then be encouraged. The communists would exert every effort to capitalize on such a situation. The Communist Party of Pakistan is weak, numbering less than 5,000, and its popular following is small. Moreover, the CPP is troubled by factionalism and chronic shortage of funds and is undisciplined and disorganized. However, in time of national crisis, it would exert every effort to embarrass the government.

34. *Ceylon.* The present Government of Ceylon is a moderate yet forward looking regime organized along western democratic lines. It is alive to the dangers of local communism which it vigorously opposes,

but has shown considerably less concern regarding international communism. In a population of 8,000,000, the Communist Party of Ceylon has a party membership of less than 2,000. Nevertheless, by capitalizing on the government's efforts to reduce governmental spending by sharply reducing the subsidy on rationed rice, the communists organized a strike in August 1953. The widespread rioting that paralyzed the city of Colombo and generally crippled transportation and communications throughout the Island for two days was curbed only after the government took vigorous police action. The CPC received considerable moral support when the Government of Ceylon signed a rice-rubber pact with Communist China in December 1952. The CPC remains as a small but nagging threat to the government, and will continually be on the alert to exploit any indication of governmental weakness.

35. *Afghanistan.* The Afghanistan Government is in practice an oligarchy, under the domination of the ruling family which has effective control of the country. Loss of control by the present ruling oligarchy could lead to bloody tribal warfare, perhaps inviting, as occurred in 1929, the entry of Soviet troops on Afghan territory.

36. *Nepal.* The Nepalese Government is largely under the guidance of the Indian Government and has been saved thus far from rule by extremists of the right or left only through the firm intervention of India. The present coalition continues, as its predecessors, to be weak and confused.

Regional conflicts

37. Almost all of the countries of South Asia are burdened with serious intra-regional disputes.

38. *India and Pakistan—Partition disputes.* India and Pakistan are in conflict on a great number of issues arising out of the partition of British India into two separate nations. The most important is the Kashmir issue, which continues to cause great tension. At the time of partition Kashmir, whose people were predominantly Muslim, was ruled by a Hindu Maharaja who, following a Muslim revolt in his state and an invasion of Muslim tribesmen, acceded to India on a provisional basis. Fighting between Indian and Pakistan troops which ensued was brought to a halt through UN efforts leading to the establishment of a cease-fire line as of January 1, 1949. Since that time, UN efforts to assist in reaching a solution have met with some success. A settlement still seems remote, however, although recently the problem has been receiving the personal attention of the prime ministers of India and Pakistan. The problem is highly fraught with religious animosities and national jealousies. The question of distribution of irrigation canal waters too has also become a serious issue. Rehabilitation of millions of refugees who crossed from each side to the other and the disposition of their property has increased the strain on Indo-

Pakistan relations. As a result, the historic Hindu-Moslem religious hostility has been perpetuated in the national policies of the two countries. Friction between India and Pakistan has contributed to internal social tensions within those countries. It has induced them to incur heavy military expenditures and has deterred the development of mutually advantageous economic relations. It has also prevented them from reaching understanding on common defense of the area against outside aggression and other problems of mutual concern. If they can be induced to settle their differences, their burdens will be considerably lightened.

39. *Pakistan and Afghanistan—Pushtoonistan.* Afghan-Pakistan relations are strained by a controversy over the status of the Pushtu-speaking tribesmen (Pathans) living in Pakistan. Afghanistan, which is ruled by a Pathan clan, has attempted to stimulate an independence movement among those tribesmen by propaganda and other activities. Pakistan rejects Afghanistan's claims as an unwarranted interference in Pakistan's internal affairs. The dispute has strained relations between the two countries and restricted their trade, particularly that of Afghanistan. Its continuance could lead to exploitation by the Soviet Union.

40. *India and Ceylon—Protection of immigrants.* Some 900,000 Indian Tamils live in Ceylon. India's efforts to protect the "rights" of those Tamils have created a serious problem between India and Ceylon. The majority of the Tamils have not been able to meet the severe requirements of the Government of Ceylon for proof of Ceylonese citizenship. The Government of India on its part recently has issued regulations restricting Indian citizenship. It has been estimated that a group of about 450,000 will be rendered stateless through inability to meet the qualifications for citizenship in either country. That group is particularly susceptible to communist agitation.

Threat of communism

41. Progress in solution of the internal problems of the South Asian countries has a special urgency for the United States because of the communist threat. Internal communism is not yet a serious danger to governmental stability in South Asia, but it may become so if current economic and social strains are not alleviated. The dimensions of the communist problem are magnified by the spread of communist military and political power elsewhere in Asia and by the ability of the communist powers, particularly with respect to Afghanistan and Ceylon, to use direct diplomatic or economic pressures. Communist power has been spread through Asia by a variety of means including military aggression, internal subversion and legal political activity. Its spread includes the consolidation of communist control in China, the prosecution of the three-year war in Korea, the seizure of Tibet, the continuing communist threat to Indochina and the balance of South East Asia,

continual Soviet pressure on Afghanistan as illustrated by the Soviet *démarche* to Afghanistan in August 1952, communist-instigated disturbances in Nepal, and Communist Party gains in the Indian national elections in 1952. The physical contiguity of the Soviet Union and Communist China to the South Asian countries gives a peculiar emphasis to the potential threat of Soviet imperialism. Nevertheless, it is believed that at present the danger arises not so much from the immediate prospect of Soviet military aggression as from internal subversion and diplomatic pressure.

CONSIDERATIONS IN U.S. POLICY

Military Defense

42. While capable at present of maintaining internal security, the countries of South Asia do not have, in themselves, the requisite military strength to successfully counter external Communist attack. Even India, the most powerful nation of the area, which in FY '54 allocated 35.1% of her total budget of $1,281,821,000 to defense, could not fend off an all-out Chinese Communist attack. This military weakness springs from the lack of sufficient equipment, the dependence on foreign sources for military supply, the shortage of qualified officers, the need for command and staff experience in handling large echelons and finally the want of money necessary to remedy these disabilities. If South Asia is to be defended it is quite plain that the coalition in the west must help. Such assistance should be directed towards:

a. The development of adequate military strength.
b. The establishment of a regional defense organization and its linkage with those similar groups which must likewise be developed in the Middle East and Southeast Asia.
c. The insurance of military cooperation with the remainder of the free world.

43. In the development of adequate military strength South Asian nations must be encouraged to make a realistic appraisal of their military situation vis-à-vis the Communist threat and, in the light afforded by such analysis, to budget the proper proportion of their resources to help meet their defense requirements. Likewise, the nations of the west in their own security interests may have to consider the provision of grant military aid to selected South Asian nations. Equally important is the fact that they may have to decide to what extent they will assist South Asia in case of Communist attack.

44. There is no collective defense organization in South Asia at the present time. The concept of a Middle East Defense Organization including certain western powers, the Arab States and Pakistan was set aside in the spring of 1953 because of opposition to MEDO as contemplated. NSC 155/1 states, as an alternative, that the United States

should take leadership in bringing the countries of the area (Near Eastern states and other Asian and African states, particularly Pakistan) into an organization to promote U.S. security interests, to increase confidence in the United States, and to help in developing indigenous forces which can improve political stability, internal security, and the maintenance of pro-western regimes, and ultimately contribute to area defense. NSC 155/1 continues that we should select certain key states for this type of assistance, choosing those who are most keenly aware of the threat of Soviet Russia and who are geographically located to stand in the way of possible Soviet aggression. In this regard, 155/1 directs that special consideration should be given to Turkey, Iraq, Syria, Iran and Pakistan.[3]

45. During recent months, efforts have been made to build on Pakistan as a country at the eastern end of the northern tier of Middle Eastern states. These efforts have been assisted by indications that Turkey and Pakistan themselves wish to develop a defense arrangement which might, at a later stage, be expanded to include other Middle Eastern states, particularly Iraq and possibly Iran. The inclusion of Pakistan in a Middle East defense arrangement of some type would materially increase its importance, and, from a military point of view, would be most desirable. Meanwhile, however, premature and widespread rumors and publicity regarding the possible extension of U.S. military aid to Pakistan provoked an extreme reaction in India. India was opposed because it feared such action would advance cold war preparations into the "no war" area of South Asia and would add military strength to Muslim Pakistan in its relations with Hindu India. The Indian reaction may lead to an intensification of differences in U.S.-Indian relations and possibly to more friendly Indian relations with the Soviet bloc but would probably not lead to any major change in India's foreign policies. It is believed that over the course of time, the violence of Indian feeling would in the absence of exacerbating circumstances, tend to subside. However, there is a danger that frictions and disagreements between the United States and India might be aggravated as a result of continuing resentment. Such a development would make it easier for India to drift into an eventual position of isolation from Western friendship and support, in which it would be more susceptible to communist pressures.

46. The countries of the area, with the exception of Pakistan, are fearful of involvement in war. India, for example, strongly advocates a policy of "non-involvement" in the struggle between the Soviet bloc and the West which it hopes will continue to permit it to concentrate on a five year plan for the economic improvement of the Indian people. Likewise, Nehru has dreams of South Asia, under his leadership, rising to become a great "third force" in the world. This attitude of "neutral-

[3] For the text of NSC 155/1, July 14, 1953, see volume IX.

ism" is understandable in view of the overwhelming economic and political problems of the area and the present lack of adequate military strength among the South Asian nations. Such a neutral position may have a short-range value to both South Asia and to the free world, giving South Asia the time in which to develop its strength and affording the West the opportunity to use South Asia in a mediator's role in dealing with the Communists. In the long run, however, in preparing to defend ourselves in a war with the Soviet bloc, the free world cannot permit South Asia to remain neutral and thereby deny the use of military facilities and strategic resources in the area. South Asia must be made to realize that its ultimate choice lies with the Kremlin or the West.

Commonwealth ties

47. India, Pakistan and Ceylon are members of the Commonwealth of Nations, an association which we favor. Their membership is helpful to them in a variety of ways. As new members they benefit from the experience of the older, more mature and more stable powers. They participate in a broad exchange of information, intelligence and techniques. They have received technical and financial assistance from other members, notably through the Colombo Plan. Their membership gives them an added stability, importance and influence which individually no one of them would have. Furthermore, though tenuous, the Commonwealth tie is an important psychological bond with the West. The three countries accepted membership in the Commonwealth only after a careful evaluation of its benefits to them, and have continued their membership on the same basis. On balance the membership of India, Pakistan and Ceylon in the Commonwealth is advantageous to the United States because of its stabilizing and moderating influence on them and because it affords an additional channel which can be employed, as appropriate, for the furtherance of United States objectives in the area.

India

48. United States policy in South Asia must necessarily give particular emphasis to the primary powers in the area—India and Pakistan. Indeed India potentially is the pivot of the whole area and the results would be very serious if its moderate regime were to be forced from power. India, with a population of over 365 million, is the strongest politically, economically and militarily of the South Asian countries (although by United States standards it is economically and militarily weak), and ranks as a major industrial nation of all Asia. It has the greatest capacity of any South Asian country for making a long-term constructive contribution to the free world although its policy of non-involvement inhibits close cooperation.

Pakistan

49. Pakistan, with its 78 million population separated into two parts by a thousand miles of Indian territory, is weaker than India economically and politically and is much less endowed with economic and military potentials. It does offer, however, the greatest possibilities, next to Turkey, for contributing to the defense of the Middle East and has indicated its willingness to enter into closer association with the United States. Like India, it has substantial need for economic assistance. Its present capacity to absorb aid in some fields, however, is less than that of its neighbor. The United States loan for wheat in 1952 was gratefully received and the wheat gift in 1953 has been tremendously appreciated. The increased friendliness toward the United States which has resulted is of great value to us, for it is felt that the combination of the strength of religious belief and the martial spirit of the people make Pakistan a country that can be relied upon as one of the great bulwarks in that area against communism.

Afghanistan

50. Afghanistan could offer only insignificant resistance to Soviet attack. However, such an aggression would serve to draw the South Asian countries closer together and toward an alignment with the West. . . . The kind of assistance we can now give Afghanistan can do little to prevent aggression, but we are strengthening the country against subversion through technical cooperation projects and an Export-Import Bank loan for economic development.

Nepal

51. Nepal, too, could do little to defend itself. Its government is weak, disorganized and with little democratic basis. Like Afghanistan, it is landlocked and at the mercy of its great neighbors. Its only real strength lies in its close relationship to India which some years ago indicated publicly that an attack on Nepal would be regarded as an attack on India. It would be helped by membership in the UN, a membership which we support. Working in close consultation with India the United States has conducted a limited technical assistance program in order that Nepal, the most vulnerable of the South Asian countries, may be able to make some contribution to its own advancement.

Ceylon

52. Though small and weak, Ceylon produces important quantities of tea and rubber, possesses a potentially valuable naval base (controlled by the British), and is an important communications link. Arrangements with Ceylon for the utilization and the expansion by the United States of radio broadcasting facilities in Ceylon are an important element in the capability of the United States to carry on psychological and propaganda programs in the area. Separated from

the Asian land mass by the Palk Strait, it is not susceptible to attack except by naval or air power. It is not a member of the UN, so it has not considered itself bound by the UN embargo on shipments of strategic materials to Communist China. Its strategic location would make it a great communist prize and as such a threat to shipping. Our policy must be directed toward preventing any extension of communist influence while at the same time exerting every effort to make clear to the Ceylonese the perils of their present course. The problem requires great patience and forbearance.

Relationships between free Asia and Japan

53. Both India and Pakistan greeted the re-emergence of Japan as a world power with deliberate efforts to foster good will. Both countries renounced any war reparations, acts which were greatly appreciated in Japan. Trade relations were resumed in 1947, and are growing in importance. Japan now is the leading importer of Pakistan's goods. Trade between Japan and India has developed somewhat more slowly than between Japan and Pakistan because Japanese and Indian exports are less complementary than is the case with Pakistan; Japan has extended liberal credits to Pakistan; India is fearful of Japanese competition with Indian products; and India has tried to drive very hard bargains with Japan. Japan needs the raw materials (cotton, jute, coking coal, manganese and iron ore) which Pakistan and India can offer and those countries need the machinery and other manufactured goods which Japan must export. It would appear that the possibility of mutually satisfying their respective needs would lead to the development of much greater trade, and at least in the case of Pakistan this may eventuate. U.S. security interests would be furthered by any contribution Japan could make, particularly through trade and investment, in increasing the economic strength and political stability of South Asia and the Far East. However, U.S. hopes of building political and economic strength in Japan and decreasing Japanese susceptibility to the attractions of markets on the Chinese mainland through developing a broad pattern of trade between Japan and free Asia have fallen far short of fulfillment as far as India is concerned.

54. India refused to attend the meeting at San Francisco in September 1951 to sign the Treaty of Peace with Japan,[4] giving as its objections that the treaty did not give Japan a position of "honor, equality and contentment among the community of free nations" and did not enable all countries "specifically interested in a stable peace in the Far East" to subscribe to it sooner or later. India tried to influence other nations, including Burma, Ceylon and Indonesia to take a similar stand. India subsequently signed a liberal bilateral treaty with Japan. India would like to separate Japan from its close association

[4] For documentation regarding the signing of the Treaty of Peace with Japan in September 1951, see *Foreign Relations*, 1951, vol. VI, Part 1, pp. 777 ff.

with the United States and is jealous of the possible development of a great competitor in what India regards as its area of influence. U.S. interests, therefore, will be best served by development of trade and other relationships between Japan and India (as well as other South Asian countries) by the peoples of the countries themselves and any sponsorship from the United States should be quiet and unobtrusive.

U.S. aid programs

55. United States extension of developmental and technical aid, as well as emergency assistance where needed, has strengthened the governments and supported the economies of the countries of the area. United States technicians and United States advice have actively participated in the composition and direction of the countries' developmental efforts. For example, fertilizer and tube wells furnished by the United States aid program should increase food production in South Asia during the next crop season by about 400,000 tons. Four thousand tons of DDT, 4 million resochin tablets, and numbers of sprayers and vehicles have been furnished to India to assist in its national program to eradicate malaria in five years. United States aid has stimulated the Government of India to initiate in about 22 areas, embracing over 22,000 villages and 21 million people, a "grass roots" program of community development. This program is extremely important because of the number of people it will reach. The United States program has stimulated similar community development in Pakistan and in Nepal. In Afghanistan, United States aid is supplying technical advice to the government in the administration and efficient utilization of the resources of the Helmand Valley in which project the United States already has invested $21 million in a loan to the Afghan Government by the Export-Import Bank. In general, the United States aid program is demonstrating to the masses of the people in the area United States willingness to assist in the developmental activities of their governments. United States emergency aid has been of real assistance to both India and Pakistan. The United States food aid loan of $190 million to India in 1951 for the purchase of approximately two million tons of wheat rescued that country from a desperate position. Similarly, in 1953 the United States gift of 700,000 tons of wheat to Pakistan saved that country from the ravages of famine. However, those countries still face problems which severely tax their present material and technical resources, and the nature and effectiveness of United States efforts to help them may be a strong factor in determining whether they develop into more stable and viable components of the free world or lapse into a state of internal weakness inviting communist domination. United States willingness to assist those countries has been of help in reducing the psychological obstacles to friendship with the United States, although only time can cure some of their deep-seated prejudices.

56. The need for additional investment in India is very great. Population increase is pressing so hard upon production that, as already noted, the standard of living is declining. The Indian Five-Year Plan is not too large for the need, but is probably larger than the administrative and technical talents which have been available to carry it out. In addition to the problem of a lack of foreign exchange, there are the problems of a lack of trained manpower and of internal finance. On this latter point, India's vast population has been so close to a subsistence standard of living that there is constant pressure on available production to supply consumption requirements to the neglect of capital needs. Additional taxation for capital investment is immediately reflected in consumption levels. Deficit financing, having the same result through the inflationary process, is the chief alternative. India is carrying out a Five-Year Plan which has been estimated to cost the equivalent of $4.7 billion. Out of large sterling balance holdings, India has available about $600 million worth of sterling which it is free to use in the sterling area. An additional $100 million will be released from blocked funds for each of the four years 1954–57. However, it still appears that India may be unable by as much as $650 million, to finance the Five-Year Plan.

57. United States technical and economic assistance to the countries of South Asia has been only a very small percentage of the amounts expended by the countries themselves in their self-help efforts. United States assistance to India may reach a level of approximately $100 million a year. Grant assistance has been made available on the assumption that the loan servicing capacity of the recipient countries would be fully utilized. Since independence the IBRD has made loans to India for railway rehabilitation, agricultural machinery, power development and to increase India's iron and steel capacity. As of June 30, 1953, these loans amounted to $109 million and an additional $50 million loan application was under consideration. Pakistan has borrowed $30 million from the IBRD for railroad rehabilitation and agricultural development, $28 million from the U. K. for development and balance of payments purposes and has received a commercial line of credit of $16 million from Japan. Afghanistan has borrowed $21 million from the Export-Import Bank for development in Helmand Valley and is presenting another application to the Export-Import Bank for about $36 million for similar purposes. It is estimated that $60 million may become available to India from other participants in the Colombo Plan.

58. The period of the next few years is likely to be one of chronic economic difficulties which the countries of the area must surmount if political crises are to be avoided or confronted successfully. United States policy may be a strong factor in determining whether the countries of the region will continue to develop in the democratic framework or will fall under communist control.

790.5/3–154

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Acting Secretary of State [1]

TOP SECRET [WASHINGTON,] March 1, 1954.

Subject: Conclusions Reached at Meeting of U.S. Ambassadors to South Asia

Discussion:

Our Ambassadors to Iran, India, Afghanistan, Pakistan, Burma and Ceylon [2] held an informal meeting in Ceylon [3] on February 12 and 13. My deputy, Jack Jernegan, also was present.[4] The most most important subject discussed was the policies and influence of India in the South Asian area, with special reference to United States military assistance to Pakistan.[5] The Ambassadors unanimously agreed that India is the major element in the South Asian area, but *it was the consensus that while India can and will cause difficulties for the United States in the region this should not deter us from pursuing policies we think important*, such as military aid to Pakistan. It was further agreed that India's influence on the other states of the area is by no means decisive.

Certain specific conclusions of the meeting are given below. I should like to call especially to your attention the statement in numbered Paragraph 4 that "*all of those present agreed with the decision to give military aid to Pakistan*".

Conclusions:

1. *None* of the states in the conference area (Iran, Afghanistan, Pakistan, Ceylon and Burma) *genuinely desires* Indian leadership or will necessarily follow India in international affairs.

2. India and Burma are the two staunchest advocates of neutralism in the conference area but Burma's "neutralist" policy is an independent policy [6] and Burma will strive to avoid Indian dictation. Afghanistan follows a policy of cautious neutralism although it has indi-

---

[1] Copies of this memorandum were furnished to Deputy Under Secretary of State Robert Murphy; to Robert R. Bowie, Director of the Policy Planning Staff and Department of State Representative on the National Security Council Planning Board; and to Frederick E. Nolting, Special Assistant to the Secretary of State for Mutual Security Affairs.

[2] United States Ambassadors to these countries were, respectively, Loy W. Henderson, George V. Allen, Angus Ward, Horace A. Hildreth, William J. Sebald, and Philip K. Crowe.

[3] The meetings were held at Nuwara Eliya, Ceylon.

[4] Also present was James Espy, Counselor of Embassy, Ceylon.

[5] For documentation regarding the granting of U.S. military aid to Pakistan, see pp. 1818 ff. and volume IX.

[6] For documentation concerning U.S. political and economic relations with Burma, and United States concern with the presence of Chinese Nationalist troops in Burma, see volume XII.

cated an interest in obtaining U.S. military aid.[7] Pakistan has virtually aligned itself with the West. Iran is officially neutral but its government looks to the West.[8] The present government of Iran would probably join the Turkish-Pakistan defense arrangement [9] if through U.S. assistance it could build up an army at least capable of delaying-defense action if attacked by the U.S.S.R. The Ceylonese Government rejects neutralism.[10]

3. *There is little enthusiasm except in India for a third bloc.* There is no present prospect of a general regional defense arrangement in South Asia proper.

4. American military aid to Pakistan is unlikely to arouse serious resentment or fear in any country of the area other than India, although certain elements in Burma, Afghanistan, Iran and possibly Ceylon will be critical and/or envious. In India itself, it is probable that the U.S. can weather the storm without disastrous consequences. All of those present agreed with the decision to give military aid to Pakistan.

5. The linking of military aid to Pakistan with the beginning of a regional defense arrangement in the Middle East will probably be politically beneficial to the United States and the free world. One of the benefits should be on the one hand a weakening of the neutralist sentiment in the area and on the other a strengthening of the hands of those who favor alignment with the West.

6. *There is no sympathy for communism on the part of any of the governments in the area,* so far as their domestic affairs are concerned. *There is no serious threat of a communist takeover in any country at the present time.* India's relations with Soviet Russia are increasingly friendly and India is the only country in the area which attempts to maintain cordial relations with Red China. In Burma the relationship with Red China and the U.S.S.R. is correct and formal and in the case of Red China is primarily influenced by fear of Chinese power. Afghanistan is in the same position with respect to Russia and its relationship with Red China is also correct and formal. Ceylon has no diplomatic missions from or to Russia or Red China and openly discourages communist goodwill missions, trade delegations, and the like. Iran does not recognize Red China but attempts to maintain friendly relations with Russia. Pakistan maintains relations with Red China and Russia but is cool towards both.

7. *American economic and technical aid is both desired and needed in all the States of the area.* Even Burma, which has requested the dis-

---

[7] For documentation regarding U.S. policies with respect to Afghanistan, see pp. 1447 ff.
[8] For documentation regarding U.S. policies with respect to Iran, see volume x.
[9] For documentation, see volume IX.
[10] For documentation regarding U.S. policies with respect to Ceylon, see pp. 1499 ff.

continuance of American technical assistance, is showing appreciation of the work already done and could reverse its action if certain unrelated political problems (such as the KMT troops) were out of the way. Ceylon, which is not receiving help because of its rubber-rice trade with China, may be prepared to break the Chinese contract next summer if the U.S. will offer substantial economic aid to cushion the blow of lost profits. A package deal might be worked out by which the U.S. could get certain military facilities it desired.

Generally speaking, our economic aid is proving effective in the countries to which it has been extended and should be continued during the coming fiscal year.[11]

[11] A detailed record of the proceedings of the Nuwara Eliya meetings, along with related materials pertaining to the meetings, is in Department of State files 120.4382 and 120.4346E.

S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda"

Memorandum by the Executive Secretary (Lay) to the National Security Council [1]

SECRET

WASHINGTON, March 2, 1954.

Subject: U.S. Policy Toward South Asia

References: A. NSC 5409 [2]
B. Memo for NSC from Executive Secretary, same subject, dated February 23, 1954 [3]

The enclosed revised Financial Appendix for the reference report on the subject is transmitted herewith for Council information in connection with its consideration of NSC 5409 at its meeting on March 4, 1954.[4] The enclosure supersedes the Financial Appendix transmitted by the reference memorandum of February 23 which should be destroyed by burning.

JAMES S. LAY, JR.

[1] Copies of this memorandum and the enclosure to it were furnished to the Secretary of the Treasury, the Director of the Bureau of the Budget, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.
[2] Dated Feb. 19, p. 1089.
[3] Not printed. (S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda")
[4] See the memorandum of discussion, *infra*.

[Enclosure]

U.S. Policy Toward South Asia (NSC 5409)
Financial Appendix

SUMMARY

1. Estimated expenditures for FY 1954 through FY 1956 total $366 million (Tables I–A and I–B).

2. At the beginning of FY 1954, there was an unexpended carry-over of $90.5 million available for proposed programs. Based on the current programming of appropriations already made for FY 1954 and requested for FY 1955, new funds of $280.1 million would be provided in these years, compared with expenditures of $208.5 million. There would be an unexpended balance of $162.1 million at the end of FY 1955 available for future expenditure.

Special Note: Amounts programmed as funds available are subject to future executive decisions to transfer funds from one program to another, and to Congressional decisions on current appropriation requests. All estimates are subject to the following assumptions, footnotes and detailed comments shown below.

ASSUMPTIONS

1. That the countries of South Asia will continue their own efforts to expand their economies so that U.S. assistance, though important will be only a small percentage of their own self-help efforts.

2. That there will be no local war involving any of the South Asian countries within the period of the financial estimate.

3. That although the threat of a general war between the Free World and the Soviet Union will continue, war itself will not materialize during the period of the financial estimate.

4. That the increased aid projection for South Asia as shown in Tables I–A and I–B will not necessarily increase over-all foreign assistance expenditures if the anticipated decline in expenditures for Europe occurs.

Estimated Costs of the Proposed Policies

Table I–A. Expenditures By Program—FY 1952–FY 1956

(Millions of Dollars)

(Totals do not add because of rounding)

	Actual Expenditures		*Estimated Expenditures*			
	1952	*1953*	*1954*	*1955*	*1956*	*Total*
Economic Assistance (Total)			5.5	78.0	102.0	185.5
Afghanistan						
Ceylon	*	*	1.5	65.0	86.0	
India						
Nepal	*	*	4.0	13.0	16.0	
Pakistan						
Technical Assistance (Total)	1.6	30.5	55.1	49.5	39.4	144.0
Afghanistan	†	.3	.6	.9	1.5	
India	1.2	27.3	45.7	39.0	27.0	
Nepal	†	.2	.4	.6	.9	
Pakistan	.3	2.7	8.5	9.0	10.0	
Military Assistance (Total)				‡10.0	‡10.0	20.0
Pakistan				10.0	10.0	
Information Activities (Total)	4.2	4.1	2.5	4.1	4.1	10.8
Afghanistan	.1	†	†	.1	.1	
Ceylon	.2	.2	.1	.2	.2	
India	2.7	2.7	1.7	2.9	2.9	
Nepal	†	†	†	†	†	
Pakistan	1.0	1.0	.6	.9	.9	
Educational Exchange and Related Activities (Total)	1.5	1.2	1.7	2.1	2.4	6.1
Afghanistan	†	†	†	†	†	
Ceylon	.1	†	.2	.2	.2	
India	.8	.7	.7	.7	.7	
India (Special) §			.5	.8	1.1	
Nepal	†	†	†	†	†	
Pakistan	.5	.4	.4	.4	.4	
Total	7.2	35.8	64.8	143.7	157.9	366.4

*Included under technical assistance in FY 1952 and FY 1953. [Footnote in the source text.]

†Less than $100,000. [Footnote in the source text.]

‡Based on tentative assumption as to programmed funds in FY 1954. [Footnote in the source text.]

§ Expenditures from "Educational Fund, Interest Payments by the Government of India, State"; a program of grants and exchanges to rehabilitate the educational system of India. [Footnote in the source text.]

Table I–B. Expenditures By Country—FY 1952–FY 1956

(*Millions of Dollars*)

(*Totals do not add because of rounding*)

	Actual Expenditures		*Estimated Expenditures*			
	1952	*1953*	*1954*	*1955*	*1956*	*Total*
Afghanistan (Total)	.2	.4	.6	1.1	1.7	3.4
Economic Assistance						
Technical Assistance	‖	.3	.6	.9	1.5	
Information Activities	.1	‖	‖	.1	.1	
Exchange Activities	‖	‖	‖	‖	‖	
Ceylon (Total)	.4	.3	.3	.4	.4	1.1
Economic Assistance						
Technical Assistance						
Information Activities	.2	.2	.1	.2	.2	
Exchange Activities	.1	‖	.2	.2	.2	
India (Total)	4.7	30.7	50.0	108.3	117.6	275.9
Economic Assistance	¶	¶	1.5	65.0	86.0	
Technical Assistance	1.2	27.2	45.7	39.0	27.0	
Information Activities	2.7	2.7	1.7	2.9	2.9	
Exchange Activities	.8	.7	.7	.7	.7	
Special **			.5	.8	1.1	
Nepal (Total)	‖	.3	.4	.6	.9	1.9
Economic Assistance						
Technical Assistance	‖	.2	.4	.6	.9	
Information Activities	‖	‖	‖	‖	‖	
Exchange Activities	‖	‖	‖	‖	‖	
Pakistan (Total)	1.9	4.1	13.5	33.3	37.3	84.1
Economic Assistance	¶	¶	4.0	13.0	16.0	
Technical Assistance	.3	2.7	8.5	9.0	10.0	
Military Assistance				‡10.0	‡10.0	
Information Activities	1.0	1.0	.6	.9	.9	
Exchange Activities	.5	.4	.4	.4	.4	
Total	7.2	35.8	164.8	143.7	157.9	368.4

‖Less than $100,000. [Footnote in the source text.]

¶Included under technical assistance in FY 1952 and FY 1953. [Footnote in the source text.]

**Expenditures from "Educational Fund, Interest Payments by the Government of India, State"; a program of grants and exchanges to rehabilitate the educational system of India. [Footnote in the source text.]

‡Based on tentative assumption as to programmed funds in FY 1954. [Footnote in the source text.]

ADDITIONAL FACTORS NOT INCLUDED IN TABLES I–A AND I–B

Economic Assistance

1. An emergency food loan of $190 million was made to India at the end of 1951.[5] To date India has paid approximately $5 million interest on this loan.

2. An emergency wheat loan of $1.5 million was made to Afghanistan during FY 1953. The United States is now considering an additional request by Afghanistan for a grant of 20,000 tons of wheat and flour.

3. Emergency wheat aid to Pakistan in FY 1953 involved a $15 million loan and a grant of a maximum of one million tons of wheat from the CCC stocks. Of the grant amount, 700,000 tons valued at $76 million is being shipped as rapidly as Pakistan can receive it. As of 10 February 1954, 86% of this tonnage had already been shipped and about 70% had arrived in Pakistan. The need for the balance of the one million ton grant has not yet been determined.

4. Assistance to Ceylon was suspended after FY 1951 because of Ceylon's shipments of rubber to Communist China. If the situation in Ceylon changes, technical and economic assistance may be resumed for FY 1955 and FY 1956.

Military Assistance

1. As of December 31, 1953, India and Pakistan had purchased military equipment in the United States under the Reimbursable Military Assistance Program amounting to the sum shown below and had secured these purchases with cash advances and letters of credit:

India	$36.3 million
Pakistan	$26.5 million

2. India's purchases included 26 C–119 aircraft and 100 medium tanks.

3. Pakistan's purchases included 352 medium tanks, 75 90mm gun carriages (M36) and various types of ammunition (up to 90mm in size).

---

[5] For documentation regarding U.S. aid to India under the India Emergency Assistance Act of 1951, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 2085 ff.

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 187th Meeting of the National Security Council on Thursday, March 4, 1954 [1]

TOP SECRET EYES ONLY

The following were present at the 187th NSC meeting: The President of the United States, presiding; the Vice President of the United States; the Acting Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; the Director, Office of Defense Mobilization. Also present were the Secretary of the Treasury; Mr. Morrison for the Director, Bureau of the Budget; the Chairman, Atomic Energy Commission; the Deputy Secretary of Defense; Robert R. Bowie, Department of State; Commissioner Campbell, AEC; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Assistant to the President; Mr. Cutler and Mr. Jackson, Special Assistants to the President; the Executive Secretary, NSC; and the Deputy Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows a discussion concerning significant world developments affecting United States security, the status of United States programs for national security as of December 31, 1953, and United States objectives in the event of general war with the Soviet bloc.]

4. *United States Policy Toward South Asia* (NSC 5409; [2] Memo for NSC from Executive Secretary, same subject, dated March 2, 1954 [3])

Mr. Cutler either summarized or read the entire policy statement on South Asia. In the course of his exposition of the paragraph directing the United States to attempt to discourage Ceylon from selling strategic materials, particularly rubber, to Communist China, the President interrupted to ask to whom Ceylon might be expected to sell its rubber if not to Communist China. Mr. Cutler said that he was unable to say, but he hoped that the Ceylonese would find somebody to sell it to. Secretary Wilson said that rubber made an awful smell when you had to burn it.

The President commented, with evident heat, that we were allowing a bunch of damned idiots to force us into policies with respect to trade that were absolutely foolish.

The Vice President pointed out that the Ceylonese were very shrewd and sophisticated traders. Their sale of rubber to China was merely a business deal and had nothing whatsoever to do with their political

---

[1] This memorandum was drafted by S. Everett Gleason, the Deputy Executive Secretary of the National Security Council, on Mar. 5.

[2] Dated Feb. 19, p. 1089.

[3] *Supra.*

beliefs. By and large, the people of Ceylon seemed to him just about as anti-Communist as the Pakistanis.

After this interruption, Mr. Cutler resumed his briefing with a discussion of the Financial Appendix to the South Asian policy paper. He explained the extraordinary difficulty of making a concise and clear statement as to the financing of the programs for this or for any other country or area. Despite the complexities, however, he felt that the Financial Appendix did offer a reasonable order of magnitude of the costs of this policy over a three-year period, and also provided some idea of the availability of funds to meet such costs. If this Financial Appendix on South Asia met the test of usefulness, and if it could stand as a model for future financial appendices regarding policies for other areas, the National Security Council would be provided with a basis upon which to determine priorities among the different policy requirements.

Secretary Humphrey expressed the earnest hope that Mr. Cutler would be able to carry through his plans for developing financial appendices, pointing out that the Council now had approved policies which called for financial assistance to some 35 foreign countries. In his opinion, said Secretary Humphrey, before any one of these policy reports had been adopted by the National Security Council, we should have had a clear idea of the total picture of financial requirements for foreign assistance.

The President said that he could not agree more with the statement that Secretary Humphrey had made, but that he nevertheless felt compelled to remind the members of the Council that the United States had passed the point of scrutinizing its programs to assist foreign nations in terms of a single fiscal year. Instead, we should be thinking in terms of decades or even of generations from the point of view of our country's welfare. As a result of looming destructive power and the psychological appeals of Communism, this country was going to be confronted with very great and very tangled problems. We should therefore look upon the assistance we give to foreign nations as an investment which will keep us out of a catastrophic war and perhaps provide our grandchildren with a life something like our own. We must not be begrudging or small-minded in our approach to the problem of foreign assistance, and we must educate our people to understand why it is necessary. By all means let us have the most careful estimates of the cost of such assistance, but when we have all the facts together, let us do all that is required and not merely plan on the basis of the results to be anticipated in a single fiscal year. Above all, let us not behave as though the present budget and the present dollar was the be-all and end-all.

Expressing his agreement with the President's statement, Governor Stassen observed that he wanted to emphasize that the overall

demands, world-wide, on the United States were declining. The problem was nothing like as difficult as when the Administration assumed office in January 1953. Our dollars now go much further and we were quite well funded to meet the decreased burdens which we still had to carry. Above all, we now knew where we were going.

At the conclusion of the discussion of the Financial Appendix, Mr. Cutler invited comments from members of the Council on the policy report as a whole.

Secretary Smith stated that he had only one comment to make, which was to congratulate the Planning Board on the high quality of the report which it had prepared.

The President said that he was moved by Secretary Smith's remark to say that just as the run of our citizens tend to take American freedom for granted, so perhaps the members of the National Security Council took the assistance given it by the Planning Board, the Joint Chiefs, and other staff agencies, too much for granted. In his view, said the President, the Planning Board was a group of dedicated officials without whose work the National Security Council simply could not function. He said he did not desire merely to say this to the members of the Council, but that he wished Mr. Cutler to carry his statement to each and every member of the Planning Board. As for the members of the Council, they should see to it that their representatives on the Planning Board were supported to the hilt and that these Planning Board representatives were of the highest quality that could be found.

Secretary Wilson said that he had one or two minor comments to make on the South Asia paper. The first was a suggestion for deleting paragraph 17, which called on the United States to urge greater participation by South Asian countries in the various agencies of the United Nations. Secretary Smith said with some emphasis that he preferred to leave this paragraph in. Secretary Wilson replied that in that case the paragraph might be modified to suggest that in certain circumstances it was not in the best interests of the United States that such participation occur, and that it might sometimes do more harm than good.

The President said that he understood the paragraph to refer to auxiliary bodies in the UN organization. The Soviets were not represented on most such bodies, and it therefore seemed sensible to the President for us to encourage the participation of the South Asian countries in these activities.

At the suggestion of Secretary Wilson, Admiral Radford explained that the Joint Chiefs of Staff believed that occasions might well arise when such participation might prove disadvantageous to the United

States. The President then inquired whether we could not play this by ear. If it was agreed that such participation was generally advantageous, it was a relatively easy matter to make exceptions in particular cases which were disadvantageous.

Secretary Wilson said that his next point was to suggest a revision in paragraph 51, dealing with military assistance to Pakistan.

After the Council had agreed on a revision of this paragraph, the Vice President pointed out that in every instance in which the United States gave economic or technical assistance to the countries of South Asia, there always arose a question in the minds of the recipients of this aid whether the United States was motivated by considerations of colonialism. When such assistance was provided through UN agencies rather than directly by the United States, no such troublesome issue arose. Since, said the Vice President, he assumed that our purpose in providing assistance to these countries was not motivated primarily by a desire to gain credit or to buy friendship, but rather to build up these countries, would it not be sensible to emphasize the channel provided by the UN agencies and to put less emphasis on direct U.S. assistance? The Vice President said that in the course of his recent trip to the Far East he found that many of the Asian nations disliked one another intensely, but the UN was amazingly popular among all of them.

The President thought that this was to be explained by the fact that the membership of these newly independent countries in the UN and its auxiliary bodies provided these countries with a sense of equality. The Vice President added that it also seemed to these countries a bulwark against colonialism.

The National Security Council:

Adopted the draft statement of policy contained in NSC 5409, subject to amendment of the second line of paragraph 51, page 12, to read as follows: "military assistance, including grant, in view of Pakistan's attitude".

Note: NSC 5409, as amended, approved by the President and referred to the Operations Coordinating Board as the coordinating agency designated by the President.[4]

[Here follows a consideration of Foreign Operations Administrator Stassen's trip to the Far East, the Republic of Korea's offer to provide troops for service in Laos, assurances to the French Government regarding the European Defense Community, legislation regarding the order of succession to the presidency, and the status of NSC projects as of March 1, 1954.]

[4] The final paragraph indicating the NSC's adoption of the Draft Statement of Policy Proposed by the National Security Council in NSC 5409 and the Note were adopted verbatim as NSC Action No. 1052 (S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1954").

790.13/5–654

The Ambassador in Ceylon (Crowe) to the Department of State

CONFIDENTIAL COLOMBO, May 6, 1954.

No. 540

Subject: Conference of the South Asian Prime Ministers of Burma, Ceylon, India, Indonesia and Pakistan held in Colombo, Ceylon, April 28–May 1

Summary

The South Asian Prime Ministers of Burma, Ceylon, India, Indonesia and Pakistan held their conference in Colombo for 4 days at the end of April.[1] It had been called by the Prime Minister of Ceylon in December of last year for the purpose of considering matters of common interest to the five countries. The meeting, which observers had felt beforehand might well turn into a vehicle for India's creating a third area of neutrality dominated by itself, brought forth considerable divergence of views amongst the participants. It showed that India did not speak for South Asia and that the area was not unanimous in its attitudes towards not only problems in the area but as well world affairs. Three topics became the principle matters of discussion: the Indo-China question, colonialism, and Communism. After considerable difficulty a communiqué was formulated to express the views of the conferees. This was a patched up compromise which propounded a number of "expressions of hope" but added little that was constructive for the area or with respect to international relations.

Background

The original basis for the conference provided that there be no agenda nor commitments to either discuss or resolve any particular problems. It had been further agreed that if controversial subjects were introduced they would not be discussed if objected to by any of the Prime Ministers. Particularly in the mind were the U.S. military assistance to Pakistan and the Kashmir question. In this light it was originally thought that the conference would not have much significance and would merely represent a parley where views could be expressed and opinions exchanged. It was hoped, although not very sanguinely, that in private conversations some progress might be made on the Kashmir dispute between India and Pakistan.

Two developments occurred, one over a period of several months before the conference, and the other immediately preceding it, which radically changed the complexion of the meeting. The first of these was the growing evidence that India proposed to press vigorously for its announced aim of creating a third area or third force of neutralism

[1] Documentation regarding the Colombo Conference is in Department of State files 120.4346E, 790.00, and 790.13.

in the struggle between the free world and the Russian-Chinese Communist bloc. India was to assume the role of leadership and dominance in this. At least as far as Ceylon was concerned India brought strong pressure to bear through the press and through its diplomatic representation in this country to induce Ceylon to accept Indian policy. The other immediate development which turned into the paramount issue at the conference was the decision by the four great powers, U.S., U.K., France and Soviet Union, taken at Berlin to hold a conference at Geneva to seek to settle the seven years old war in Indo-China (besides attempting to find a solution for the Korean issue).[2] The Secretary of State's speech of March 29 calling for "united action" against international Communist aggression in Indo-China [3] followed by the proposal made by Mr. Dulles and Mr. Eden in London on April 13 for a collective security agreement in the Far East and South East Asia [4] struck the spark for agitation that the South Asian Prime Ministers seize themselves of the Indo-China problem. The press in India and Ceylon violently condemned the Dulles–Eden proposal and demanded that the Asian Prime Ministers step in either to restore peace themselves in Indo-China or take part at least in the solution of the issue as an Asian affair. For the U.S. and the other free world countries there was latent in this the danger of the South Asian Prime Ministers adopting a position which would play into the hands of the Communists and militate against the efforts of the free world to assure a free, independent and non-Communist Indo-China and to prevent Communist expansion into South East Asia. (Reference Embassy's telegrams 304, April 1, 1954; 322, April 18; 323, April 20; and 326, April 20.)[5]

On the eve of the conference the Prime Minister of India, Shri Jawaharlal Nehru, announced in the Indian House of the People a five point plan for a solution of the Indo-Chinese hostilities. This plan, which is discussed in detail below, was to take the form of recommendations to the Geneva Conference. At the same time the Indian High Commissioner in Ceylon, Mr. C. C. Desai, gave out to the press in Ceylon, under the tendentious statement that "Five Colombo Conference Powers have tentatively agreed on a plan which they will propose as a means to bring peace to Indo-China," a program for implementing the Nehru plan. It called for cease-fire in Indo-China with a division of the country under Vietminh and Vietnam rule.

---

[2] For documentation regarding Indochina, see volume XIII. For documentation regarding the Geneva Conference on Indochina and Korea, see volume XVI.

[3] Secretary of State Dulles' speech, entitled "The Threat of a Red Asia", is printed in the Department of State *Bulletin*, Apr. 12, 1954, pp. 539–542.

[4] For documentation regarding the conclusion of the Southeast Asia Collective Defense Treaty, see vol. XII, pp. 1 ff.

[5] None printed; Colombo telegrams 304, and 322 are in Department of State files 751G.00/4–154; and 790.5/4–1854, respectively and Colombo telegrams 323 and 326 are both in Department of State file 790.5/4–2054.

"The 'temporary territorial settlement' would give Tonkin and Northern Annam to Ho Chi-Minh." There would be a five year transitional period during which all foreign elements would be excluded from Indo-China both military and civil. During that time the five Colombo Conference Powers would control and enforce the agreement. It was implied that Indian troops would probably have to do most, if not all, of the policing and administering. The hope was expressed that "Chinese Communism" would be kept out of Indo-China but it was stated that there would not, however, be any interference with domestic Communism within that country. The statement concluded with the declaration that "the Communists would probably accept the plan but if they did not Communist imperialistic aims become clear to Asians, which is not now the case." (Reference—Embtel 329, April 23 and 335, April 25.)[6]

Proceedings of Conference

On the opening day of the conference, April 28, speeches were made by each of the Prime Ministers setting forth in general their views. The remarks of each were published in the press. They set the temper of the whole meeting. Mr. Nehru said that the major problem was the "cold war" but that since the Ceylonese Prime Minister had proposed the conference two other urgent problems, Indo-China and the hydrogen bomb had come to the fore. He stated that the proposals which India had put forward to deal with these problems were not ones to decide the questions, "this way or that." "We merely indicated certain steps which might be taken, steps which we hoped would lead to a settlement. They were steps to be taken by the parties concerned and not by us." Mr. Mohammed Ali said that what the conference should do was not to intermingle in matters that were not its direct concern but to devote itself to problems between the conference countries themselves, mentioning specifically the Kashmir dispute. The Prime Minister of Ceylon, acting as Chairman of the Conference, proposed for consideration the topics of Indo-China, control of atomic weapons, "the threat to democratic freedom—from aggressive Communism and the retention of and the attempt to perpetuate colonial rule" and economic questions such as "self sufficiency in food, stabilization of the prices of our valuable raw materials, development of agriculture and industry within a balanced economy, and expansion of trade between our countries—for cooperation to improve the living standards of our people."

The effort of Mr. Mohammed Ali to have Kashmir discussed was over-ruled by the others and the conference proceeded to take up the Indo-China question as its first item.

---

[6] Neither printed; Colombo telegram 329 and 335 are in Department of State files 120.4346E/4–2354 and 120.4346E/4–2554, respectively.

Mr. Nehru presented his five point plan for Indo-China as follows: (1) The establishment of a "climate of peace", (2) A cease-fire in Indo-China, the cease-fire group to consist of France, the Associated States of Indo-China and Vietminh, (3) immediate termination of French sovereignty in Indo-China, (4) direct negotiations between the forces fighting in Indo-China, (5) non-intervention denying aid, direct or indirect, with troops or war materials, to the combatants or for the purpose of war to which the U.S., Soviet Russia and the United Kingdom and China should be the primary parties. An additional or sixth point was added that the United Nations should be kept informed of the progress of the Geneva Conference and its good offices sought for purposes of conciliation but not for invoking sanctions.

During the discussions that ensued lines were drawn up, with India and Indonesia accepting the Indian proposals *in toto* and Pakistan and Ceylon refusing to agree to point 5 on non-intervention. The Burmese Prime Minister maintained a cautious position stating that there should not be left a vacuum in Indo-China which would give either side in the conflict any advantage.

The Indonesian Prime Minister, Dr. Sastroamidjojo, went so far as to seek to append to the Indian plan a condition precedent that Communist China be admitted into the United Nations. This, however, was "objected" to by all the other four premiers and left for a separate resolution.

The arguments between Mr. Nehru and Mr. Mohammed Ali were reported to have become bitter and impassioned almost to the extent of disrupting the conference. (Reference Embtel 340, April 30) [7]

There was an endeavor on the part of Mr. Nehru to report out a majority resolution with a minority disagreement appended by Mr. Mohammed Ali. It is significant that perhaps only the support of the Ceylonese Prime Minister, Sir John Kotelawala, to Mr. Mohammed Ali prevented this and maintained one of the original premises for the conference that any decisions taken should be unanimous. A creditable source has reported that during the debate between Mr. Mohammed Ali and Mr. Nehru over the non-intervention clause, the former, besides insisting that such a provision would be embarrassing to the Geneva Conference, averred that he saw a far-reaching implication in it. He is reported to have stated that Mr. Nehru might very well try to use such a provision against Pakistan and in a short time call upon Pakistan to reject American military assistance as intervention in that country.

The Indian resolution for control of atomic weapons was unanimously adopted.

The subjects of colonialism and anti-Communism again brought forth differences of opinion and long arguments. Mr. Nehru stated

[7] Not printed. (120.4346E/4–3054)

as his point of view that colonialism was mainly confined to Asia and Africa and to be of two types, the first foreign rule over subject peoples, and the second in Africa, attempts by small minorities of European settlers in semi-independent states to dominate vast coloured majorities. He was opposed to both of these. The other Prime Ministers agreed with him on the adoption of anti-colonialism resolution but the Pakistan and Ceylonese premiers wanted to have a resolution against Communism as well. Sir John Kotelawala introduced such a resolution condemning international Communism and its efforts of infiltration and subversion of the democratic countries. The debate that ensued brought Pakistan, Ceylon and Burma on the one side, and India and Indonesia on the other. The arguments boiled down to an insistence by the former that international Communism was foreign aggression and intervention, and by the latter that it was merely an ideology. Mr. Nehru in arguing that Communism was entirely different from colonialism, the one being "a fact" and the other "an idea", contended that Communism was a state of mind which should be changed by obtaining the confidence of the people and influencing them against the attractions of Communism. He further said that the challenge of Russian Communism was really the challenge of her economic system and that the real test was which economy, Communism or capitalism, would pay better dividends to the people. Both Mr. Mohammed Ali and Mr. U Nu insisted that the Asian countries should look on the dangers of Communism as equally threatening as those of colonialism. Sir John observed that Communism had no real respect for "codes of behavior" and therefore could not be tolerated.

The other topics which the Prime Ministers included in their final communiqué were accepted without much discussion.

There is attached the official statement of the final communiqué.[8] The drafting of the statements on the controversial points, i.e., those concerning non-intervention, colonialism and Communism, were worked out by a committee headed by Sir Oliver Goonetilleke, the Minister of Finance of Ceylon and Governor-General designate. Particular attention is invited to the formula found for phrasing the statement with respect to Communism. This states the "Prime Ministers—declared their unshakeable determination to resist interference in the affairs of their countries by external Communist, anti-Communist or other agencies."

Conclusion

As has been brought out in the foregoing, instead of this Conference being one of harmony and unanimity of views it turned into a forum of considerable difference of opinions and policies and even discord between the five nations of South Asia. This development is amusingly

[8] Not printed.

depicted in the enclosed cartoons* that appeared in the local press. One is captioned "East Meets West" and portrays caricatures of the five Prime Ministers with the Chairman, Sir John Kotelawala, stating "Well Gentlemen, one thing has been established!—When it comes to disagreeing, we are not second to the West!"

The Conference also brought out that India and particularly Mr. Nehru did not, as many observers had been inclined to believe before, "speak for South Asia". Some of his views were opposed by Pakistan, Ceylon and Burma, adamantly so by Pakistan. There was fortunately no full-fledged breach between the two countries but this was prevented only through compromise by all concerned and particularly by noticeable compromise on the part of India which previously had publicly announced its policies and the specific plans for their implementation.

Another element of the Conference, which though not played up at least in the press of Ceylon, was the failure of the meeting to adopt any really constructive proposals or at least formulate ideas and programs to this end. Although it was hardly to be expected that a solution of the Kashmir dispute could be found at the Conference, it had at least been hoped that a better understanding for combatting Communist aggression in the area might have been reached and a measure of cooperation arranged in the economic field. It is, of course, realized that since the economies of the country concerned are mainly competitive rather than complementary not a great deal in a material way could have been anticipated but at least a more favorable atmosphere for economic improvement and for facing the problems of food and population could have been engendered. These subjects were not even touched upon.

The statement with respect to intervention by "external Communist, anti-Communist or other agencies" could if taken out of the context lend itself to varying interpretations. There is no doubt about its meaning when viewed from the background of the debate at the conference. For Pakistan, Ceylon and Burma it had no other implication than rejection of Communist or other intervention in the countries themselves. It does not mean to these three countries at least any concept of a third neutral area or force between the free world and the Communist world. It would also seem that it would take very specious arguing in the other two countries to try to give such an interpretation to it. It will be of interest to see whether any such attempt is made. There has been one pro-Indian line editorial in the Ceylon press subsequent to the Conference which tried feebly to give such a coloration to the statement but that argument only appeared once and seems likely to be dropped for lack of any substantiation.

One further action which the Conference also failed to take was any reply to the statement addressed by Mr. Eden of Great Britain to the three Commonwealth Prime Ministers as to whether the South Asian Conference group would associate itself in any guarantees with re-

* Not printed.

219-752 O - 83 Vol XI - Pt. 2 - 6

Table II. Availability of Funds in Relation to Expenditures
FY 1953–FY 1955
(Millions of Dollars)

	Total	*Economic Assistance*	*Technical Assistance*	*Military Assistance*	*Information Activities*	*Exchange Activities*
Unexpended Carryover into FY 1954	90.5	§§	89.3		1.2	
Plus: FY 1954 Funds	138.7	75.0	38.1	¶¶20.0	3.3	2.3
Equals: Total available for expenditures	229.2	75.0	127.4	20.0	4.5	2.3
Less: Estimated expenditures FY 1954	64.8	5.5	55.1		2.5	1.7
Equals: Unexpended Carryover into FY 1955	164.4	69.5	72.3	20.0*	2.0	.6
Plus: FY 1955 Funds	141.4	105.0	29.5	*	4.7	2.3
Equals: Total available for expenditures	305.8	174.5	101.8	20.0	6.7	2.9
Less: Estimated expenditures FY 1955	143.7	78.0	49.5	10.0	4.1	2.1
Equals: Unexpended Carryover into FY 1956	162.1	96.5	52.3	10.0	2.6	.8

§§Included under Technical Assistance. [Footnote in the source text.]
Included in Information Activities. [Footnote in the source text.]
¶¶Tentative assumption. [Footnote in the source text.]
*The amounts to be programmed under the proposed policy of military assistance to Pakistan cannot now be estimated. [Footnote in the source text.]

spect to a settlement to be arrived at in Geneva on the Indo-China question. Nor has there been any word that the three Commonwealth governments have individually directly replied. It may be significant in this respect that both Pakistan and Ceylon are reported to have stated that they would not send any troops to Indo-China for policing or administrative purposes. Sir John Kotelawala is quoted as having said "We have neither the army, navy or air force to give such a guarantee." He added that Ceylon, however, was prepared to support the other nations in any sanctions that might be imposed on any party that might transgress or violate a settlement.

For the Ambassador:
JAMES ESPY
Counselor of Embassy

S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda"

Memorandum by the Acting Executive Officer of the Operations Coordinating Board (Morgan) to the Executive Secretary of the National Security Council (Lay)

SECRET WASHINGTON, July 29, 1954.

Subject: Progress Report on NSC 5409 (South Asia)

Reference: NSC Action No. 1052 [1]

On March 6, 1954 the President approved NSC 5409, "United States Policy Toward South Asia," and designated the Operations Coordinating Board as the coordinating agency.[2]

Attached hereto is the first Progress Report on the implementation of NSC 5409, covering the period through June 15, 1954. The Report was approved by the Operations Coordinating Board on July 28, 1954.

GEORGE A. MORGAN

[Attachment]

JULY 28, 1954.

PROGRESS REPORT ON NSC 5409
UNITED STATES POLICY TOWARD SOUTH ASIA
(Policy approved by the President March 6, 1954)

A. SUMMARY OF MAJOR ACTIONS

In implementing the United States policy toward South Asia, as contained in NSC 5409, the United States has:

---

[1] See footnotes 1 and 4, pp. 1089 and 1129, respectively.

[2] According to a memorandum, dated Mar. 12, 1954, by Executive Officer of the Operations Coordinating Board Elmer B. Staats, to the members of the Operations Coordinating Board, the Board Assistants, at a meeting on Mar. 12, approved, on behalf of their principals, the terms of reference for the working

(1) made active efforts to maintain cordial official and personal relations with peoples and governments in the area. Vice President Nixon's visit to South Asia [3] was particularly helpful;
(2) carried on a vigorous information program through the area;
(3) continued to try to be helpful in mitigating regional disputes;
(4) made substantial progress in our economic and technical assistance operations:

(*a*) Has provided Afghanistan 12,000 tons of wheat and wheat flour for a threatened food shortage;
(*b*) On March 31, 1954, the U.S. made the last shipment to Pakistan under the 700,000 ton wheat grant authorized last year to prevent a famine in Pakistan;

(5) reached general agreement with India regarding shipments to Bloc countries of Thorium Nitrate, a strategic commodity;
(6) encouraged Pakistan and Turkey to sign a cooperation agreement, and the U.S. and Pakistan on May 19 signed a Mutual Defense Assistance Agreement.

B. EVALUATION OF THE POLICIES IN THE LIGHT OF OPERATING EXPERIENCE

These policies are considered to be timely, complete and appropriate. No changes are recommended at this time.

C. EMERGING PROBLEMS AND FUTURE ACTIONS

Three problems of more than ordinary importance are emerging in South Asia:

(1) the role of India in an Indochina settlement; [4]
(2) the course of developments in East Bengal following the imposition of Governor's Rule and the effect of those developments on all of Pakistan;
(3) Soviet activity in Afghanistan as related to the U.S. Mutual Defense Agreement with Pakistan.

1. India, because of its national consciousness, geographic position, size and relative strength, together with certain attitudes which it shares with the South and South East Asian countries arising from colonialism and religious and cultural affinities, has ambitions to take a position of leadership and strong influence in the region. India fears that the fighting in Indochina, if continued, might lead to a world war with the reinstitution of colonial power supported by the U.S. On the other hand, India would be apprehensive of a further consolidation of external communist power in Indochina. These factors, together with India's policy of non-alignment and its desire not to offend communist

---

group on coordination of NSC 5409. According to an enclosure to Staats' memorandum, also dated Mar. 12, the working group was to be chaired by the Department of State, and its membership was to be drawn from the Department of Defense, the Foreign Operations Administration, the Central Intelligence Agency, the United States Information Agency, and other agencies of the government when appropriate, as determined by the Executive Officer of the Operations Coordinating Board. (OCB files, lot 62 D 430, "SEA 1")

[3] See the editorial note, p. 1088.

[4] For documentation regarding Indochina, see volume XIII. For documentation regarding the Geneva Conference and the Indochina settlement, see volume XVI.

China place India in a difficult but important position from which its own self interest may be expected to lead it to take a part of increasing importance in the Indochina problem. India's possible participation in an Indochina solution is under continuing study.

2. In the provincial elections in East Bengal this spring, the party in control of the Central Government, the Muslim League, was completely repudiated. The new Chief Minister of East Bengal and his cabinet, drawn from the victors, the United Front, were completely ineffective. Riots broke out, hundreds of lives were lost, and the Central Government was forced to remove the provincial cabinet and institute Governor's Rule. Under the new Governor, Iskander Mirza, complete order is now being maintained, but it is widely recognized that substantial economic improvements must be accomplished in the near future if stability is to be maintained and democratic processes restored. The situation is being closely watched, and consideration is being given to possible means of being helpful.

3. Since February 19 when the Pakistan–Turkey cooperation agreement was signed, there have been increasing signs of Soviet interest in Afghanistan, manifested particularly in economic activity and planning. This development has been emphasized by Ambassador Ward since his recent return on leave. The problem is being given careful study, since it includes fundamental political and security issues.

Annex "A"

DETAILED DEVELOPMENT OF MAJOR ACTIONS

There have been no significant omissions or deficiencies in implementation of NSC–5409. Significant substantive actions taken in support of the policy are listed below. (Numbers in parenthesis below refer to paragraph numbers in NSC–5409. Courses of action are quoted.)

Para. 15. "Give particular emphasis to the maintenance of cordial official and personal relations in all areas of contact, and where possible increase those areas of association."

It is standard practice to maintain cordial official and personal relations. Of especial importance have been the representational activities of the Ambassadors and other key officers in the field, entertainment of foreign officials in Washington and attendance by our representatives at cultural functions, exhibitions and conferences sponsored by the various South Asian governments. Recently the Army sent Major General A. G. Trudeau, Assistant Chief of Staff, G–2, and a small group to visit India and Pakistan to establish and renew contacts in those countries on a more personal basis. On the occasion of a visit to India during the period by Vice Admiral Wright (CINCNELM) the U.S. Ambassador did not deem our relations with India sufficiently friendly to warrant his asking clearance for entry of the Flagship

(USS *Pittsburgh*). During the course of his visit, Admiral Wright received only the bare minimum of the customary courtesies from the Indian officials he encountered.

Para. 16. "Vigorously pursue effective information and education programs designed to broaden support for actions consistent with U.S. policies and to diminish susceptibility to communist appeals."

In India, a major effort has been made in recent months to improve the information materials produced by USIA in India and to focus activities more selectively upon opinion leaders. The content of our publications has stressed collective security as the keynote of U.S. foreign policy and as the motivating factor in the U.S. decision to grant military aid to Pakistan. The economic, military and moral strength of the U. S. is another theme which has been stressed. Special emphasis was given to the U.S. attitude towards colonialism as set forth in Assistant Secretary Byroade's speech of October 31.[5] Increasing attention is being paid in our output to developments in Southeast Asia, with the objective of making India aware of the threat to her security of Red Chinese aggression in Indochina and of identifying U.S. policy in this area with her own national self interest.

The *American Reporter*, a bi-weekly USIA newspaper in India, reaches 350,000 of the most important leaders in education, business, the press, members of parliament and of the provincial legislatures. Important official texts are produced in pamphlet form and mailed to a highly selective list of opinion leaders including newspaper editors. New Indian-language editions of American books include such titles as Stowe's "Conquest by Terror," Kirk's "Postmark Moscow," Koestler's "Darkness at Noon," and Chase's "Goodly Heritage."

USIA is opening new reading rooms in four university cities. Reading rooms will be opened in six additional cities by January 1, 1955.

The films program reaches small groups of key officials rather than mass audiences and has been integrated with pamphlet and book distribution. Recent local productions made in cooperation with the Technical Assistance Mission and the Government of India, show U.S. contributions in support of India's Five Year Plan.

USIA plans to initiate August 1, on a trial basis, short wave newscast from New York to supplement the present tape-recorded programs in Hindi, Urdu, Bengali and Tamil, which are transmitted from Colombo. The most recent count of 5,000 letters a month received from India by VOA indicates an increasing listenership in this country.

The college contact program continued through this academic year. Nine American college presidents or professors, two youth leaders and one newspaper man sent under the exchange of persons program,

[5] For the text of Assistant Secretary of State Byroade's speech, see the Department of State *Bulletin*, Nov. 16, 1953, p. 655.

participated in a vigorous program of lectures and informal discussions.

Pro-American sentiment in Pakistan facilitated relations with the press and resulted in high placement of information materials. An effective motion picture program has reached college students, military personnel, and government officials. Since the signing of the Military Aid Agreement, some Pakistanis have begun to question whether the price they have paid for military aid may not be too high. In addition, their expectations of the amount of aid that will be received have far exceeded that contemplated by the United States. USIA, therefore, is faced with the difficult task of assuring them that their decision to stand up and be counted on the side of the West will be well rewarded and, at the same time, of presenting a realistic picture of the amount of aid that can be expected.

In East Pakistan, the communists and the opposition party both have stirred up some anti-American feeling with charges that the government has sold Pakistan's sovereignty for the promise of American aid, and by implicating the U.S. with the imposition of Governor's rule in East Bengal. Strenuous efforts are under way to expand the limited capabilities of USIS in East Pakistan.

. . . . . .

During Fiscal Year 1954, the following grants were awarded under the Department of State's Educational Exchange Program to the countries in South Asia.

India

167 grants of which 117 were to Indians and 50 to Americans. Among the 50 Americans were 12 American specialists lecturing under the college contact program throughout India. Among the Indians brought to the United States were 15 Indian leaders.

Pakistan

93 grants of which 74 were to Pakistanis and 19 to Americans. Among the American grants were five to American specialists who lectured and held seminars and discussion groups in both East and West Pakistan. Among the grants to Pakistanis were ten leader grants.

Ceylon

36 grants were awarded during Fiscal Year 1954, 28 of which went to Ceylonese and 8 to Americans.

Afghanistan

Four grants were awarded—three to Afghanistan and one to an American specialist.

Nepal

Two grants were awarded to Nepalese in FY 1954.

India, Pakistan and Ceylon have Fulbright programs, and the grants to American and foreign students, professors, and teachers under these Fulbright programs were awarded during Fiscal Year 1954. But the people to whom the grants were awarded will come between July and September of Calendar 1954.

Para. 17. "Encourage greater participation in all UN activities by South Asian countries which are members of the UN."

We presently plan to support Zafrulla Khan in the special election to fill the vacancy in the International Court of Justice left by the death of the Indian representative.

Para. 18. "Assist through the UN and by other feasible means in the settlement of disputes between the various countries."

We have continued to watch developments on the Kashmir issue closely and are willing to be as helpful as may be possible. However, prospects do not look good. We also are following the World Bank talks with India and Pakistan on distribution of the Indus waters.

. . . . . .

Para. 20. "Assist the governments of the area to develop their natural resources, particularly agricultural, and their basic industrial potential, including the provision of technical assistance and limited economic aid."

The FOA programs for all countries in South Asia are devoted primarily to assistance in the fields of agriculture and natural resources. This is particularly true in Afghanistan and Nepal where we are carrying out only technical cooperation programs. In the case of India, and to a lesser extent Pakistan, a certain amount of our assistance, both in the technical and development assistance fields, is devoted to development of the industrial potential but primary emphasis remains on agriculture and natural resources. For fiscal year 1955 a total of $26.7 million ($6.7 million for technical cooperation and $20 million for development assistance) is being requested for Pakistan. A total of $104.5 million ($19.5 million for technical cooperation and $85 million for development assistance) is being requested for India.

The Export-Import Bank extended a loan of $18.5 million to the Government of Afghanistan in May for use in further development of the Helmand Valley region and for some road maintenance work.

Para. 21. "Foster South Asian conditions and governmental policies favorable to the investment of indigenous and foreign private capital in such economic development of the area."

We are doing everything possible with FOA programs to foster conditions and policies favorable to private capital investment. In the case of India, we are prepared to make available up to $15 million worth of rupee counterpart towards the initial capitalization of a private industrial development corporation which will derive the remainder of its capital from private sources and from the World Bank.

It is anticipated that this corporation will be set up and operating within a very short time, but we would be ready to encourage a similar enterprise in that country. Apart from this, we are using every available means to ensure that private capital investment is encouraged.

Industry and investment advisers are presently on the staffs of the FOA missions in India and Pakistan. Steps are being taken to place increased emphasis on this aspect of our programs in both of these countries.

Para. 22. "Be prepared to extend emergency aid as circumstances justify on a case-to-case basis to alleviate unexpected food shortages or the effects of natural disasters."

A short time ago we signed an agreement with Afghanistan under which the U.S. is providing 12,000 tons of wheat and wheat flour to meet a threatened food shortage in Afghanistan. The aid is being sent under Section 550 of the Mutual Security Act of 1951, as amended,[6] which authorizes the use of MSA funds to finance the purchase of surplus agricultural commodities in the United States.

On April 27 the Pakistan Government announced that the food situation in Pakistan had improved to such an extent that it would not require the balance (amounting to about 89,000 tons) of the wheat grant of 700,000 tons which was authorized for Pakistan by the U.S. Government last year to meet threatened famine. It is estimated by the Pakistan Government that the gift of wheat saved several million people from starvation.

Para. 24. "Continue diplomatic, psychological and propaganda efforts to discourage and where possible prevent shipment of strategic materials to the communist bloc."

We have carried on active efforts to discourage and where possible prevent shipment of strategic materials to the communist bloc. As the result of some of these efforts, we have reached general agreement with India (although the agreement has not yet been ratified by India) which should assure that Thorium Nitrate will not be shipped by India to communist countries.

Para. 25. "Encourage judiciously and, as appropriate, provide guidance for such action by South Asian governments in the general area of land reform as will contribute to increased agricultural production and internal stability."

There are no land reform specialists on the staffs of the FOA missions in South Asian countries, but FOA has sponsored certain short-term consultants in this field in India. Their report, written after a ninety-day study of the problem some two years ago, recommended certain measures in the field of land reform which have been cordially received by the Indian Government. Due to the political sensitivities

[6] The Mutual Security Act of 1951, as amended, was signed into law on June 20, 1952, as Public Law 400. For the text, see 66 Stat. 141.

of this area, it is felt that large-scale, or continuing land reform work on the part of FOA, is not possible at this time.

Para. 26. "As politically feasible, seek to obtain (*a*) the use of military and strategic facilities in South Asia, including communications, transit and base rights and (*b*) the right to operate forces in the area upon the threat of and during general hostilities."

An immediate favorable result of the U.S. decision to extend military assistance to Pakistan may have been the latter's permission for the U.S. aircraft engaged in the recent airlift to Indochina to refuel in Pakistan.

The Air Force (MATS) has air transit agreements with both India and Pakistan.

On the negative side, the following items are noted:

a. India requested the U.N. to withdraw U.S. Military Observers on the Kashmir Commission on the ground that they were not neutral.

b. In conformity with its long established policy India refused permission for the above mentioned aircraft to utilize air facilities in, or to overfly, India.

c. In Ceylon the U.S. Ambassador determined that friendly relations had not developed sufficiently during the period for him to request permission to establish desired U.S. Army, Navy, and Air Force communications facilities in that country.

Para. 27. "Encourage participation of the nations of South Asia in regional defense arrangements coordinated with those in adjacent areas."

Pakistan's cooperation agreement with Turkey flowed from U.S. encouragement of regional defense arrangements.

Para. 28. "Provide to selected South Asian nations limited military aid, reimbursable or grant, contributing to the maintenance of internal security and the defense of the area."

The U.S. has agreements with India [7] and Pakistan for the provision for reimbursable military aid. Grant military aid to Pakistan will be extended in the near future under the recently signed agreement. Following Pakistan's signature of a cooperation pact with Turkey we signed, on May 19, a Mutual Defense Assistance Agreement with Pakistan [8] under the terms of which we plan to furnish military grant assistance to Pakistan. A survey mission headed by Brigadier General Harry F. Meyers visited Pakistan to decide on its most urgent needs. General Meyers has made a report to the Secretary of the Army in which he recommends that $29.5 million be apportioned for Pakistan from funds currently available. If no unforeseen difficulties arise, it is expected that the nucleus of a MAAG will be in Karachi in mid-August with a token shipment arriving shortly thereafter.

[7] The U.S. Mutual Defense Assistance Agreement with India entered into force on Mar. 16, 1951. For the text, see *United States Treaties and Other International Agreements* (UST), vol. 2, p. 872.

[8] The U.S. Mutual Defense Assistance Agreement with Pakistan entered into force on May 19, 1954. For the text, see TIAS No. 2976, printed in 5 UST 852.

Para. 29. "Utilize the above political, economic and military courses of action whenever necessary and practicable to encourage cooperation with the United States in attaining its objectives in the area."

The Battle Act implications of Indian exports to communist bloc countries of Thorium Nitrate upon U.S. economic aid to India have been of considerable force in bringing India toward an agreement with regard to disposal of its Thorium Nitrate production and other materials such as strategic grades of mica.

Our Ambassador to Afghanistan recently notified us of his intention to bring to the attention of the GOA the probable consequences under the Battle Act of shipping beryl to a communist country.

Para. 33. "Continue and increase close consultation with the Government of India on matters of policy and encourage it to consult more frankly with us, without permitting Indian opposition to deter us from taking actions which are clearly in the U.S. interest."

We have followed a policy of close consultation with the Government of India. Ambassador Allen has ready access to Nehru and has explained U.S. policy to him on a number of issues, including U.S. military assistance to Pakistan, U.S. aid to the French in Indochina, non-recognition by the U.S. of Communist China, etc. Similarly, the Indian Ambassador in Washington has been briefed from time to time by State Department officers, including the Secretary.

Para. 34. "Make clear to India that by providing military assistance to Pakistan, the U.S. is not seeking to make Pakistan the dominant state of South Asia."

The purpose of U.S. military assistance to Pakistan was made quite clear to the Indian Government by President Eisenhower's letter to Prime Minister Nehru, by Ambassador Allen in conversations with Nehru and other Indian officials in Delhi, and by the Secretary of State in talks with Ambassador Mehta in Washington. It was fully explained that what was desired was not dominance of South Asia by Pakistan, but an effective defense establishment in Pakistan as a protection against aggression.

USIA has continued to make every effort in its information output in India to make our intentions understood.

Para. 36. "Support the continuation in power in India of elements which are non-communist and friendly to the United States, recognizing that at present the incumbent Congress Party comes closest to fulfilling these specifications."

Ambassador Allen recently visited the U.S. and made very strong appeals before Congressional committees, in official bodies and before public meetings in support of U.S. economic assistance to India. We regard such assistance as of great importance in maintaining friendly elements in power.

Para. 40. "Recognize that for the present India's policy of 'non-

involvement' will continue; and make use of India as a mediator when it is in U.S. interests."

The possibilities and limitations of India's usefulness as a mediator were fully displayed by the role which India played as Chairman of the Neutral Nations Repatriation Commission in Korea.[9]

Para. 42. "Continue to make clear to India that the Kashmir issue should be settled by mutual agreement between India and Pakistan, that the United States is willing to assist through the UN and by other means, but that the United States has no ulterior motives or hidden objectives which would be fostered by settlement in favor of either country."

The U.S. has continued to make clear its view that the Kashmir issue should be settled by mutual agreement between India and Pakistan. Following the Indian protest against the presence of U.S. members in the UN Observer Group for Kashmir, our Ambassador informed the Government of India that we had explained to the Secretary General of the UN that while the U.S. Government recognized his responsibility to make the decision, the U.S. has no interest in maintaining American observers in Kashmir providing the effectiveness of the present observer system in Kashmir remains unimpaired. We told the Secretary General in confidence that we would like to see the U.S. members of the Observer Group withdrawn within a few months. Our most recent information from the office of the Secretary General is that he considers six United States observers the minimum necessary to maintain the morale of the observer corps in Kashmir and that his present inclination is to insist that the Indians permit replacement of that number of U.S. officers whose assignments expire after July 1.

Para 43. "Seek through official statements and communications media full recognition by the Government and people of India, (*a*) the communist threat to India, (*b*) U.S. support for India's independence and (*c*) the contribution which the United States is making to India through economic and technical aid."

See progress under para. 16.

Para. 45. "Continue and increase close consultation with the Government of Pakistan on matters of policy and encourage it to consult more frankly with us."

In connection with the Colombo Conference, the Secretary of State invited the Ambassadors of Pakistan and Ceylon to call, explained some of the difficulties he anticipated at Geneva, and expressed the hope that developments at the Colombo Conference would not make his course more difficult at Geneva. The Ambassador of India also was invited in for a more general briefing. Reports from Colombo indicated that the attitudes of the Prime Ministers of both Pakistan and Ceylon were very helpful to us.

[9] For documentation regarding Korea, see volume xv.

Para. 47. "Seek greater participation of Pakistan in a common front against communism."

Pakistan's decisions to sign a cooperation agreement with Turkey and a Mutual Defense Assistance Agreement with the U.S. were evidence of its increased participation in a common front against communism.

Para. 48. "Make clear to Pakistan that our objective in the Kashmir issue is a solution acceptable to both India and Pakistan and that in this issue we are not prepared to support either country against the other."

Our attitude regarding withdrawal of the U.S. members of the UN Observer Group in Kashmir should serve to reinforce our policy of impartiality between India and Pakistan in the Kashmir issue.

Para. 49. "Encourage Pakistan's participation in any defense association which is judged to serve the interests of the United States. Priority should be given to the establishment of such an arrangement between Pakistan and Turkey."

Pakistan's cooperation agreement with Turkey, signed on February 19, is a significant step toward participation in a defense association which will serve U.S. interests.

Para. 50. "Seek to insure that in the event of general war Pakistan will make available manpower, resources and strategic facilities for mutual defense efforts with the West."

The recent agreement between the U.S. and Pakistan with respect to defense assistance is an important move in bringing about Pakistan's complete cooperation in the event of a general war.

Para. 52. "Support the continuance of the (Afghan) government in its present form in the absence of conditions under which a more representative government could come into existence without the serious threat of chaos or of the advent of power of a group subservient to the Soviet Union."

We are supporting the continuance of the present Afghan Government through technical assistance and Export-Import Bank loans. The Export-Import Bank recently has agreed to extend another development loan in the amount of $18.5 million to Afghanistan.

Para. 53. "Discourage Afghanistan's Pushtoonistan claims."

When Vice President Nixon was in Kabul he made it quite clear that our policy of discouraging Afghanistan's Pushtoonistan claims had the support of the highest officials of our Government.

Para. 54. "For the present refrain from encouraging Afghan expectations that the United States will extend military assistance."

We recently made it clear to the Afghan Government that we could not presently encourage any Afghan expectations of U.S. military assistance.

Para. 57. "Endeavor to maintain the friendly relationship between

the United States and Ceylon which continues despite the strains imposed by Ceylon's trade in rubber with Communist China."

Vice President Nixon's visit to Ceylon was a great help in strengthening friendly relations between Ceylon. The recent decision to have Prime Minister Sir John Kotelawala visit the U.S. should further improve U.S.–Ceylon relations.

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum of Discussion at the 228th Meeting of the National Security Council on December 9, 1954 [1]

TOP SECRET EYES ONLY

Present at the 228th Council meeting were the President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; the Director, Foreign Operations Administration; the Director, Office of Defense Mobilization; the Secretary of the Treasury; the Attorney General (for Item 1); the Director, Bureau of the Budget; the Chairman, U.S. Civil Service Commission (for Item 1); the Chairman, U.S. Information Agency (for Item 2); the Deputy Secretary of Defense; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Assistant to the President; Robert Cutler, Special Assistant to the President; the NSC Representative on Internal Security (for Item 1); the White House Staff Secretary; and the Acting Executive Secretary, NSC.

There follows a summary of the discussion at the meeting and the main points taken.

[Here follows discussion on security requirements for government employment.]

2. *U. S. Policy Toward South Asia* (Memos for NSC from Executive Secretary, same subject, dated November 12 and 30, 1954; [2] NIE 53–54; [3] NSC 5409; [4] NSC Action No. 1240–*b* [5])

[1] This memorandum was drafted by Deputy Executive Secretary Gleason on Dec. 10.

[2] Executive Secretary Lay, in his memorandum of Nov. 12 for the National Security Council, informed the NSC that he was transmitting to the members, under cover of this memorandum, amendments to Section D of the Draft Statement of Policy Proposed by the National Security Council in NSC 5409, p. 1089. Section D dealt with U.S. policy toward Afghanistan. Lay also advanced the proposal that if the NSC adopted the enclosed amendments, the NSC should submit them to the President with the recommendation that he approve them, and that they be substituted for the existing Section D of NSC 5409. Finally, the Executive Secretary informed the NSC in his memorandum that he was also enclosing a Financial Appendix, indicating the costs of the amended assistance programs for Afghanistan, and a staff study on Afghanistan which was supplementary to the overall South Asia staff study already contained in NSC 5409. (S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda")

In his memorandum for the National Security Council dated Nov. 30, Lay enclosed a memorandum dated Nov. 19 from the Joint Chiefs of Staff, in which

Footnotes continued on following page.

Mr. Cutler briefed the Council on the subject report, emphasizing the conclusion reached in the Planning Board on the unlikelihood of any early union of Afghanistan with Pakistan and the undesirability of pressing for such federation. He then pointed to the fact that the Financial Appendix was premised on a policy of continued limited economic assistance to Afghanistan, and might be considerably higher if a policy of increased economic assistance were determined upon by the Council.

Governor Stassen pointed out that he and the Secretary of State had reached agreement that no specific funds as such should be allocated to Afghanistan in the FY 1956 budget. Such assistance as Afghanistan should have would be provided later on from the President's contingency fund. Thus, said Governor Stassen, the issue of the level of economic assistance to Afghanistan, which had so concerned the Treasury and the Bureau of the Budget, had vanished.

Mr. Cutler then directed the Council's attention to the split in the policy report in paragraph 56,[6] relative to whether increased economic assistance or limited economic assistance should be programmed for Afghanistan. Treasury and Budget had indicated a preference for limited economic assistance.

Secretary Dulles said that he did not consider himself an advocate of substantially increased economic assistance to Afghanistan, and suggested that subparagraph 56–*a* confine itself to a statement that both technical and economic assistance would be provided to Afghanistan.[7]

Footnotes continued from preceding page.

the JCS accepted the suggested amendments to Section D of the Draft Statement of Policy Proposed by the National Security Council in NSC 5409. (S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda")

[5] For the text of NIE–53–54, "Outlook for Afghanistan", Oct. 19, 1954, see p. 1481.

[6] *Ante*, p. 1089.

[7] NSC Action No. 1240–b was adopted by the National Security Council at its 217th meeting on Oct. 14, 1954. The text reads as follows:

"b. Agreed that the NSC Planning Board should prepare a report on Afghanistan after receipt of a Special Intelligence Estimate on the subject." (S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1954")

The materials which Executive Secretary Lay enclosed in his memorandum of Nov. 12 for the National Security Council constituted the report on Afghanistan prepared by the NSC Planning Board. The Special Intelligence Estimate on Afghanistan was, in fact, NIE–53–54, "Outlook for Afghanistan", Oct. 19, 1954.

[8] The text of paragraph 56 in the amended version proposed for Section D of the Draft Statement of Policy contained in NSC 5409, which was transmitted to the NSC under cover of Lay's memorandum of Nov. 12, reads as follows:

"56. As a means of increasing Afghanistan's resistance to Soviet pressures, provide assistance for Afghanistan for those projects which would tend to strengthen its ties with Pakistan [and Iran]."

A notation in the quoted text indicates the bracketed section was "Proposed by CIA." (S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda")

[9] The text of subparagraph 56–*a* in the amended version proposed for Section D of the Draft Statement of Policy contained in NSC 5409, which was transmitted to the NSC under cover of Lay's memorandum of November 12, reads as follows:

The President stated that the real answer to this problem lies in our prospects of success. . . . if the Afghans really wished to be on the side of the free world rather than merely to play off the Soviet Union and the U.S. to their own advantage, then we might be willing to take a chance with increased assistance.

Governor Stassen agreed with the President, but said he certainly would not advocate increasing economic aid to Afghanistan to the level of $30 million, as contemplated by the State Department in the present report.

Admiral Radford reminded the Council that he had been much interested in Afghanistan, and particularly in the prospects of a federation between Afghanistan and Pakistan, since 1948. He asserted again his feeling that there was a real chance that such federation would come about, and it would be a great stroke from the U.S. point of view. The chief opposition to it in Afghanistan came from the royal family, and he felt that if that attitude could be changed and Indian propaganda were slowed down, the Afghans themselves would be inclined to favor confederation. Admiral Radford also warmly recommended an increase in the number of American visitors of high rank to Afghanistan . . . .

The Vice President said he thought Admiral Radford's analysis very much to the point. The opposition to federation, he believed, was concentrated in the small oligarchy which ran Afghanistan, and there were many more considerations that brought Afghanistan and Pakistan together than divided them. Both, for example, were Moslem states, and that was a potential bond. As for economic assistance, continued the Vice President, we should leave the door open to increasing the level of economic aid if this course of action seemed likely to pay off. The Russians were providing a very considerable volume of aid, and the relatively small sum of $30 million might have a disproportionately great effect, considering the small population of Afghanistan. Noting that he had received the most hospitable welcome in Afghanistan in the course of his trip to the Far East last year, the Vice President also strongly backed Admiral Radford's proposal for additional American visitors to that country.

Mr. Allen Dulles counseled moving to aid Afghanistan in as subtle a fashion as possible. The Soviets were inclined to look on Afghanistan much as the United States did on Guatemala. They were in a position to out-bid us on any assistance programs. Perhaps the most desirable course would be to extend our aid through a third country or through private organizations, rather than directly as a government.

"a. By providing technical assistance and substantially increased [limited] economic assistance."

A notation in the quoted text indicates the bracketed section was "Proposed by Treasury and Budget." (S. D. 5.01, Box 163 [1] 351, "S.20 1959—Eisenhower")

Secretary Humphrey referred to a recent conversation with the contractor who had built the large irrigation dam in Afghanistan. This builder, said Secretary Humphrey, was worried sick over the results of the completed dam. It had a great deal more water than could be effectively used, it irrigates more land than can be cultivated, and there were no roads by which the produce of the irrigated lands could be got out. It looked as though, after all this work had been done, there was very little actual use of it. This was the sort of thing which so greatly disturbed the Treasury.

The President inquired what proportion of the Afghan population was nomad, and wondered whether it might be possible to settle some of the nomad population in the irrigated areas.

Referring to Secretary Humphrey's point about the dam, Governor Stassen pointed out that this project went back five years, and was financed by an Export-Import Bank loan and not by FOA grant. However, the FOA technical mission had been trying to correct the situation with its advice and assistance. Secretary Humphrey stated that this was merely another indication of an area in which more thought rather than more money was requisite.

. . . . . .

Mr. Cutler pointed out that all these suggestions for handling the Afghanistan problem fell within the limits of the new proposed policy, but he noted that the specialists on Afghanistan who had prepared the staff study did not share Admiral Radford's enthusiasm for a federation of Pakistan and Afghanistan. He read from the staff study to illustrate doubts as to the likelihood or even the desirability of an early union of the two states.

. . . . . .

Mr. Allen Dulles pointed out, at the conclusion of the discussion, that Afghanistan had just agreed to resume diplomatic relations with Communist China. This, said Mr. Dulles, was another straw in the wind.

The National Security Council:

a. Discussed the proposed amendments to the reference report on the subject, prepared by the NSC Planning Board and transmitted by the reference memorandum of November 12, in the light of the views of the Joint Chiefs of Staff transmitted by the reference memorandum of November 30.

b. Adopted the proposed amendments subject to the following changes:

(1) *Paragraph 56:* Delete the bracketed phrase in line 4 and the footnote relating thereto.

(2) *Subparagraph 56–a:* Delete the footnote relating thereto, and revise to read as follows:

"*a.* By providing technical and economic assistance."

Note: The amendments to the reference report, as adopted in *b* above and approved by the President, subsequently circulated for insertion in NSC 5409.[8]

[Here follows a discussion of significant world developments affecting United States security, United States rubber policy, United States objectives and courses of action with respect to Japan, a review of basic national security policy, Fiscal Year 1956 budget considerations, and the status of NSC projects as of December 1, 1954.]

S. EVERETT GLEASON

---

[8] These final two paragraphs, numbered *a.* and *b.*, subparagraphs (1) and (2), and the Note regarding U.S. Policy Toward South Asia were adopted verbatim as NSC Action No. 1282 (S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1954").

For Executive Secretary Lay's memorandum, dated Dec. 14, 1954, to the National Security Council enclosing the amendments to Section D of NSC 5409, the Financial Appendix, and the supplementary staff study on Afghanistan, see *infra*.

S/S–NSC files, lot 63 D 351, "NSC 5409—Memoranda"

Memorandum by the Executive Secretary (Lay) to the National Security Council [1]

SECRET WASHINGTON, December 14, 1954.

Subject: U.S. Policy Toward South Asia

References: A. NSC 5409 [2]
B. Memos for NSC from Executive Secretary, dated November 12 and November 30, 1954 [3]
C. NSC Action No. 1282 [4]

The National Security Council, the Secretary of the Treasury, the Director, Bureau of the Budget, and the Director, U.S. Information Agency, at the 228th Council Meeting on December 9, 1954, adopted the proposed amendments to Section D of the reference report, prepared by the NSC Planning Board and transmitted by the reference memorandum of November 12, subject to the changes set forth in NSC Action No. 1282–*b*. The President on December 11, 1954 approved this action.

Accordingly, the enclosed revised pages of NSC 5409, incorporating the above amendments, are transmitted herewith with the request that they be substituted for pages 12, 13 and 14 [5] thereof and that the superseded pages be destroyed by burning.

---

[1] Copies of this memorandum and the enclosures to it were furnished to the Secretary of the Treasury, the Director of the Bureau of the Budget, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

[2] Dated Feb. 19, p. 1089.

[3] See footnote 2, *supra*.

[4] See footnote 8, *supra*.

[5] Page 12 of NSC 5409 began with numbered paragraph 46; page 14 concluded with numbered paragraph 63.

Also enclosed for the information of the Council are a staff study on Afghanistan and a Financial Appendix, to be inserted in NSC 5409, following the staff study now ending at page 40.[6]

JAMES S. LAY, JR.

[Enclosure]

[Here follow numbered paragraphs 46 through 50, which are identical to the correspondingly numbered paragraphs in NSC 5409, February 19, page 1095.]

51. Give special consideration to Pakistan in providing military assistance, including grant, in view of Pakistan's attitude and key position among the countries of South Asia with respect to military collaboration with the West.

D. *Afghanistan*

(In addition to courses of action in Section A above)

52. Support the government of Afghanistan so long as it is not unfriendly to the United States and not subservient to the USSR.

53. Encourage the growth of closer economic and political relations between Afghanistan and Pakistan, thus creating conditions favorable to settlement of the Pushtunistan dispute and strengthening Afghanistan to enable it better to resist Soviet penetration.

54. Only if Afghanistan and Pakistan demonstrate within their own governments a convincing mutual desire for confederation, consider encouraging and assisting in its realization, providing acceptance of the consequences thereof is then in U.S. interests.

55. Encourage the settlement of disputes and the development of trade between Afghanistan and Iran.

56. As a means of increasing Afghanistan's resistance to Soviet pressures, provide assistance for Afghanistan for those projects which would tend to strengthen its ties with Pakistan:

a. By providing technical assistance and economic assistance.

b. By supporting appropriate applications by Afghanistan to the International Bank for Reconstruction and Development and to the Export-Import Bank for sound development loans.

c. By supporting the inclusion of Afghanistan in the Colombo Plan as feasible.

57. Refrain from encouraging Afghanistan expectations that the United States will extend—and for the present do not extend—military assistance to Afghanistan. However, upon attainment of improved Afghanistan relations with Pakistan and Iran, consider extending military assistance to Afghanistan, through Pakistan if expedient.

[6] The staff study on Afghanistan and the Financial Appendix were to be inserted in NSC 5409 immediately after paragraph 58 of the Study Prepared by the Staff of the National Security Council, p. 1096.

58. Avoid giving the impression that the U.S. favors participation of Afghanistan in a regional defense arrangement at this stage, without foreclosing the possibility of such participation at a later date.

59. In the event of increased Soviet efforts to subvert or take over Afghanistan, immediately review U.S. policy toward Afghanistan.

60. In the event of overt attack on Afghanistan by Soviet forces:

a. Attempt through diplomatic measures to arrest the action and to obtain prompt withdrawal of Soviet forces.

b. If unsuccessful, decide in the light of the circumstances existing at the time what further action to take through the UN or otherwise.

E. *Ceylon*

(In addition to courses of action in Section A above)

[Here follow numbered paragraphs 61 through 64, which are identical to paragraphs 57 through 60, respectively, in NSC 5409, February 19, pages 1095–1096.]

F. *Nepal*

(In addition to courses of action in Section A above)

[Here follow numbered paragraphs 65 through 67, which are identical to paragraphs 61 through 63, respectively, in NSC 5409, February 19, page 1096.]

[Enclosure]

SECRET

Staff Study on Afghanistan

(Supplementary to the Staff Study on South Asia)

RECENT SOVIET ACTIVITY

1. Recent Afghan-Soviet economic agreements permitting Soviet construction of important capital projects in Afghanistan and entry of considerable numbers of Soviet technicians provide evidence that the Soviets may be desirous of drawing Afghanistan out of its present buffer status into the Soviet orbit. Success of the United States in promoting a defense agreement between Pakistan and Turkey and in developing a program of military aid for Pakistan have in part been responsible for intensification of Russian interest in Afghanistan. Russian and Czech economic aid estimated at $13 million in loans and grants has been accepted by the Afghans. A gradual drift towards Soviet influence may result, although openly aggressive action by the USSR is unlikely because of strong anti-Soviet reactions which would probably occur elsewhere in the Arab-Asian bloc.

2. An advance of Soviet ascendency to the southern borders of Afghanistan would bring undesirable consequences. An added burden would be created on the defenses of Iran and Pakistan and the possi-

bility of Soviet access to the port of Karachi would be enhanced. A wedge would be driven down into the nascent Turkey–Iran–Pakistan defense tier and the prestige of the United States and the West would suffer with the subjection of another free area to Soviet control.

STRENGTHENING AFGHANISTAN

3. As Afghanistan is threatened by increasing pressure from the Soviets, success of the latter in achieving their goals will depend to a measurable degree on the extent of Afghan weakness. Proposals for strengthening Afghanistan and countering Soviet pressures have included (1) confederation or closer economic and political cooperation with Pakistan; (2) improved relations with Iran; (3) economic aid; and (4) military aid.

Confederation or Closer Economic and Political Cooperation With Pakistan

4. A major source of Afghan weakness is the country's present unsatisfactory relations with Pakistan. Thus one means of strengthening Afghanistan and reducing the disadvantages of its present position would be through encouraging closer ties between Afghanistan and Pakistan. This might be approached in two ways: (*a*) by attempting to bring about a confederation* of the two countries within the fairly near future, or (*b*) by working for closer and better economic and political relationships of the two countries within their existing political frameworks which might in time lead to some form of political union.

5. *Confederation* should be considered in the light of the following advantages and disadvantages:

a. Advantages:

(1) The Pushtunistan dispute (Afghanistan's desire for some kind of autonomous state composed of the Pathan tribesmen living in the northwest frontier area of Pakistan) is the basic cause of friction between the two countries. Confederation would tend to eliminate this dispute, or at least greatly reduce its importance.

(2) Resulting economic union, particularly elimination of trade barriers existing between the two countries, might make them economically stronger than they are at present.

(3) From a military viewpoint confederation would make available to Pakistan additional space in which to maneuver her military forces and terrain which favors delaying or defensive action against a Soviet invasion.

. . . . . .

*Suggestions for confederation have come largely from Afghan spokesmen. The concept has not been precisely defined nor is there evidence of unanimity among the Afghan ruling oligarchy as to the desirability of confederation. Pakistani spokesmen have not been particularly receptive to the idea of confederation although they have evinced willingness to consider means of greater cooperation between the two countries. Presumably confederation would involve at least a central government over both countries and economic union (freedom of internal trade). [Footnote in the source text.]

b. Disadvantages:

(1) Militarily and politically, a combined Afghanistan and Pakistan might well be weaker than the existing separate states. Since Afghanistan's military forces are insignificant in training and equipment, Pakistan's defenses would be extended over a larger area without any real addition to the strength of her forces. Afghanistan, far more backward administratively, would absorb some of Pakistan's trained administrative talent. Progress towards political democracy, while not great in Pakistan, is well ahead of Afghanistan. Given the conflicting tribal groups in Afghanistan and the existing provincial tensions in Pakistan, the prospect of a politically well unified state seems remote.

(2) Desire for confederation in either country is not sufficiently deep to make possible successful agreement on the numerous political and economic matters which would have to be negotiated to bring it about. Pakistan has at present unresolved constitutional problems of a serious nature which would tend to make its government unreceptive to injection of the complicated problems implicit in possible merger.

(3) A step directly from the present political status of the two countries to their consolidation would represent to the Soviet Union an American inspired effort to bring United States strength up to Soviet borders in an area regarded hitherto as neutral ground. Confederation would thus involve the risk of Soviet reaction which would be beyond the capacity of the newly-merged countries to resist. Soviet reaction would create a new area of tension and might deal a serious blow at the outset to the now developing Turkish-Pakistan defense axis.

(4) Adverse Indian reaction would be similarly severe without entailing such serious consequences. Indian objections would be based on fear of an eventual increase in Pakistan's power and the elimination of Afghanistan as a buffer between the subcontinent and the USSR.

6. On balance, therefore, it is concluded that impracticality and the risk of adverse reaction from the USSR, make undesirable positive U.S. efforts to promote confederation of Afghanistan and Pakistan in one step. However, the concept of an eventual confederation, developed logically and gradually out of progressively improving relations between the two countries, should not be ruled out.

7. Afghanistan could be greatly strengthened by encouraging closer cooperation and better relations between Afghanistan and Pakistan within their existing political frameworks. Such a policy is more feasible now than confederation for the following reasons:

a. Real economic weakness is an important factor in Afghan willingness to accept Soviet offers of economic assistance with consequent gradual increase in Soviet influence. Strengthened economic ties with Pakistan would combat this important cause of Afghan susceptibility to Soviet penetration.

b. A program for increasing cooperation in economic matters between the two countries presents a series of more readily obtainable objectives than confederation. Economic cooperation might help to

create an atmosphere conducive to elimination of the Pushtunistan dispute, which, once resolved, would open the way for gradual evolution of a merger.

c. Merger conceived as the end-product of a gradual evolution would be less likely to excite violent Soviet antipathies and reaction.

d. As Pakistan and Afghanistan are drawn together through various forms of cooperation, Pakistan's strength and that of the Northern tier defense system is expected to grow. An Afghanistan gradually drawn into closer relations with Pakistan could be fitted more easily into this defense concept with benefit and less risk, eliminating the strategic liability consequent to Afghanistan's geographic intrusion between Pakistan and Iran.

Improved Relations with Iran

8. Afghanistan would also be strengthened by the settlement of disputes and the development of trade between Afghanistan and Iran. The chief controversy between the two countries concerns disposition of the waters of the Helmand River, which rises in Afghanistan and flows into Iran, and which is important for irrigation. Iran feels that it receives insufficient water and that its position will become worse as new irrigation facilities using more water are developed along the upper river in Afghanistan. Iran has recently agreed to resume negotiations, which have been suspended since Iran in 1952 rejected the report of a neutral technical commission appointed at the instance of the U.S. to find a basis for sharing the waters.

Economic Aid

9. The United States has been carrying on a small program of technical assistance in Afghanistan of about $1.5 million annually and the Export-Import Bank has in recent years extended loans totalling approximately $40 million primarily for the Helmand River valley development project. Future United States economic assistance to Afghanistan should be directed toward giving it maximum resistance to Soviet pressure primarily through promoting better relations between Afghanistan and Pakistan.

10. A program of stepped-up United States aid attempting directly to counteract Soviet economic penetration would entail two disadvantages: (*a*) it might involve us in a bidding contest with the Soviets which would be expensive and perhaps ultimately useless, or (*b*) stimulated by our increased interest in Afghanistan, the Soviets might try countermeasures dangerous to Afghan independence.

11. Economic aid directed to projects mutually beneficial to Pakistan and Afghanistan would entail these disadvantages to a much smaller degree. Such a program would serve to bring the two countries closer, creating conditions favorable for greater cooperation and merger as described above. Afghan susceptibility to offers of assistance from the USSR is the result in part of economic difficulties arising from its existing bad relations with Pakistan. Use of our aid to improve rela-

tions between the two countries represents the most practical means of strengthening Afghanistan.

12. Projects which might help to strengthen and smooth relations between the two countries could include (*a*) the establishment of a "free port" for Afghanistan in Karachi, (*b*) supply of additional locomotives and rolling stock to facilitate the movement of goods between Karachi and Afghanistan, (*c*) a railway spur, bringing the northern railhead into Afghan territory, (*d*) storage facilities at Karachi and the railhead, (*e*) accelerating the construction of the Warsak hydro-electric project in Pakistan's Northwest Frontier province, with the end of supplying electricity from Warsak to neighboring areas of Afghanistan, (*f*) development of hydro-electric potential of Kajakai and Arghandab dams for power deliveries in Quetta and Chamon in Pakistan, and (*g*) improvement of roads connecting Kabul with Pakistan.

Military Assistance

13. Military assistance to Afghanistan would have the advantage of strengthening Afghanistan's internal security forces and providing a basis for resisting external aggression should that develop.

14. However, these advantages would, at present, be outweighed by an accompanying disadvantage: a possible Soviet threat to the independence of Afghanistan and perhaps the security of its neighbors as well. The future assistance and support needed to counteract the effect of such threats might involve the U.S. in responsibilities beyond what we would wish to assume in this area at this time. Recent Russian economic assistance to Afghanistan indicates a possible Soviet intention to establish control over the country, altering Afghanistan's buffer status. Delivery of U.S. arms would change this possibility to a near certainty.

15. In addition, there would be the difficulty of overcoming Pakistan's probable objections to arms deliveries to Afghanistan arising from the discordant relations now existing between the two countries and Pakistan's fear that arms delivered to the Afghanistan Government might well fall into the hands of tribesmen for harassment of Pakistan's borders.

16. Nevertheless, there are possibilities that military assistance could be profitably extended to Afghanistan at some later date. This would be particularly true if Afghan relations with Pakistan should improve and if Pakistan should agree to act as intermediary for such assistance. In the light of our present relations with Pakistan, anything we undertake in the way of military assistance should be with the knowledge and concurrence of Pakistan.

17. Because of probable adverse Soviet reaction, the present very limited military capabilities of Afghanistan, and the latter's unsettled

dispute with Pakistan, the adherence of Afghanistan to a Middle East defense system at this stage in the system's development would result in a worsening of the position of Afghanistan and a weakening of the system itself. We should, therefore, avoid giving the impression that the U.S. favors participation of Afghanistan in a regional defense arrangement at this time, without foreclosing the possibility of such participation at a later date.

[Enclosure]

CONFIDENTIAL

AFGHANISTAN

ESTIMATED COST OF THE PROPOSED POLICIES†

Table I. Expenditures by Programs‡

(*Millions of Dollars*)

	Actual Expenditures		*Estimated Expenditures*				
	1953	*1954*	*1955*	*1956*	*1957*	*1958*	*Total 1955–58*
Military Assistance							
Economic Assistance	§1.4	‖.4	‖.8				¶.8
Technical Assistance	.3	.8	1.8	2.3	2.4	2.5	9.0
Information Services**	††	††	.1	.1	.1	.1	.4
Educational Exchange**	††	††	††	††	††	††	‡‡
Total	1.7	1.2	2.7	2.4	2.5	2.6	10.2

†Estimated expenditures given above are premised on the policy of limited economic assistance contained in NSC 5409, as adopted prior to the increase in Soviet pressure on Afghanistan and prior to NSC 5409's revision by NSC Action No. 1282. The Department of State and The Central Intelligence Agency believe that considerably larger expenditures will be necessary to carry out the proposed new policy. Detailed estimates of the cost of such new policy have not yet been worked out, but the Department of State believes that the maximum needed for FY 56 would not exceed $30 million, even if none of the assistance could be financed by loans. No estimates are available as to the continuing annual costs of such an expanded program subsequent to FY 56. [Footnote in the source text.]

‡Does not include Export-Import Bank Loans authorized in FY 1950 ($21 million) and in FY 1955 ($18.5 million). [Footnote in the source text.]

§Emergency wheat loan. [Footnote in the source text.]

‖Sale of wheat for local currency under Section 550 of the Mutual Security Act of 1953. [Footnote in the source text.]

¶No estimate available for possible programs for disposal of surplus agricultural commodities under Public Law 480. [Footnote in the source text.]

**Based on financial appendix to NSC 5409. [Footnote in the source text.]

††Less than $100,000. [Footnote in the source text.]

‡‡Figure not available. [Footnote in the source text.]

Table II. Availability of Funds in Relation to Expenditures

FY 1955–FY 1957

(*Millions of Dollars*)

	Total	*Technical Assistance*	*Economic Assistance*	*Military Assistance*	*Information Services* §§	*Educational Exchange* §§
Unexpended carryover into FY 1955		1.2	.8			
Plus: FY 1955 Funds		1.6				
Equals: Total available for expenditures		2.8	.8			
Less: Estimated expenditures FY 1955		1.8	.8		.1	|||
Equals: Unexpended carryover into FY 1956		1.0				
Plus: FY 1956 Funds		2.5				
Equals: Total available for expenditures		3.5				
Less: Estimated expenditures FY 1956		2.3			.1	|||
Equals: Unexpended carryover into FY 1957		1.2				

§§ Not available except expenditure data in Financial Appendix to NSC 5409. [Footnote in the source text.]

||| Less than $100,000. [Footnote in the source text.]

SUMMARY EXPLANATION

1. *Objectives*

Since the end of World War II Afghanistan has been engaged in an ambitious program of economic development. The Afghans intend to develop their own basic natural resources at the maximum rate possible. The effort may be described broadly as natural resources development (largely in Southwest Afghanistan and largely by the government) and industrial and power development by private investors mostly in the northern and eastern parts of the country.

However, these capital development plans have not been accompanied by a requisite increase in numbers of skilled and semi-skilled persons to make effective use of them. Thus the dams and irrigation canals need competent men in the various fields of administration and operation; the new textile and power plants require semi-skilled technicians in management and technical operations; and the farmers need new methods and techniques to make the most of the new water resources available.

The FOA program has as its principal objective (*a*) to aid the Afghan Government in the reclamation, development and settlement of new agricultural land especially in the Helmand River Valley, (*b*) to give assistance in improving primitive agricultural practices throughout the country, (*c*) to aid the Afghan Government in establishing and strengthening schools to train technicians required in the economic development efforts, (*d*) to aid in improving public administration in all fields of activity, (*e*) to assist in developing sounder communications and transportation systems, (*f*) to assist in utilizing coal resources, and (*g*) to assist in raising the level of technical competence by awarding grants for training in the United States and elsewhere.

2. *Progress to Date*

FOA has provided technical assistance to Afghanistan in several major fields of activity. FOA technicians in the Helmand Valley working with the Helmand Valley Authority have trained men in stream gauging, have established experimental and demonstration farms, have demonstrated improved irrigation techniques, and are assisting the Helmand Valley Authority itself to become an effective administrative body able to regulate the use of land and water resources and to provide service to the people already there and to the nomads who are settling on newly irrigated lands.

In the field of education, teachers and equipment have been provided for the Afghanistan Institute of Technology. Salaries of teachers at Habibia College have been supplemented in order to permit the maintenance of a higher standard of instruction. By means of a contract with the University of Wyoming a vocational agricultural school

has been strengthened. A training program for sub-professional health workers is now underway at the extension training center in the Helmand Valley. Assistance in teacher training is being given through a contract with Columbia Teachers College. Output of coal in two mines has been increased and safety measures for mines has been improved.

3. *The FY 1955 Program*

The FY 1955 program is planned at a level of $1,620,000. The FOA Mission will continue in the activities started in earlier years with a major part of their efforts being devoted to the Helmand Valley Development program.

4. *Host Country Participation*

In the past seven years Afghanistan has invested between 60 and 70 million dollars of its own and borrowed funds for Helmand Valley development. Its contributions to activities associated with the technical cooperation program are about four times the U.S. contribution. Despite extreme shortages of trained personnel, Afghanistan officials and technicians head up each of the program activities and work cooperatively with the FOA technicians. The Afghans, realizing the importance of modernizing techniques and methods, have sent annually at least 50 students to the U.S. and other Western countries for advanced training not available in that country.

5. *Other Technical Assistance Programs*

The United Nations and its Specialized Agencies have sent large numbers of technicians to Afghanistan. The total cost of these operations is estimated at approximately $500,000 annually. Close coordination of FOA operations and other technical assistance programs is maintained at all times.

EFFORTS TO HELP RESOLVE THE DISPUTE BETWEEN INDIA AND PAKISTAN OVER KASHMIR [1]

320/1–152 : Telegram

The Acting Chairman of the United States Delegation to the General Assembly (Roosevelt) to the Department of State [2]

SECRET NEW YORK, January 1, 1952—8 p. m.

Delga 811. Re : Kashmir.

1. Graham [3] informed Dec 30 in general terms of contents Gadels 540, Dec 22 [4] and 553, Dec 26.[5] He welcomed ideas and timing, with two exceptions :

A. He thought it inadvisable SC endorse Devers' plan,[6] which would be quite unacceptable to GOI. Confusion in this matter, and apparent Indian endorsement of plan, stems from fact Devers first gave Rau typewritten slip of unsigned paper, which contained first stage of plan, this stage being favorable to GOI. Devers later orally communicated to both parties balance plan which was unfavorable to GOI in that (i) it wld leave approx 11,000 civil police and Azad forces on Pak side cease-fire line and 13,000 forces on Indian side, (ii) it defined powers Plebad to dispose of remaining forces as "final." According Graham, GOI reference to having largely accepted Devers' plan refers really to first stage that plan. Re desire bring plan into open (Gadel 559 Dec 28) [7] GADel's guess is that GOP, knowing plan favors GOP in final stages, wants whole plan on record, while GOI referred publicly to plan in order give impression its goodwill in accepting part of plan offered by UN reps mil advisor. Graham recognizes that GOI reference to Devers' plan leaves him no choice except

[1] For previous documentation, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 1699 ff.

[2] This telegram was repeated for information to London, New Delhi, and Karachi.

[3] Dr. Frank P. Graham, UN Representative for India and Pakistan, had transmitted his second report to the Security Council on Dec. 18, 1951 (UN doc. S/2448). In the report he indicated that some progress had been made in securing concurrence by the Governments of India and Pakistan to a 12-point agreement involving the demilitarization of the state of Jammu and Kashmir in one continuous process. Two principal points of difference remained: (1) the size of forces to be left on either side of the cease-fire line at the end of the demilitarization period, and (2) the day on which the Government of India would agree to the formal appointment to office of the Plebiscite Administrator.

The Security Council considered Graham's second report at its 570th to 572d meetings on Jan. 17, 30, and 31 (UN docs. S/PV. 570–572).

[4] *Foreign Relations*, 1951, vol. VI, Part 2, p. 1922.

[5] *Ibid.*, p. 1926.

[6] A demilitarization plan by Gen. Jacob J. Devers, Military Adviser to the UN Representative for India and Pakistan (see footnote 3, p. 1170), released by the UN Secretariat on Jan. 21 (UN doc. S/2485).

[7] *Foreign Relations*, 1951, vol. VI, Part 2, p. 1927.

to reveal plan in entirety to both sides. He contemplates doing this by filing confidential copies with UN Secretary General's office, for reading and possible retention by both sides. He believes the details of plan will leak, and that it is better to have leak occur from sources such that he and his staff cannot be accused of responsibility. Graham indicated thought plan shld not be made public because was informal confidential effort and because does not want to be tied to it.

B. While he is willing make quick trip subcontinent and appeal to Nehru agree to his proposals, immed after Indian elections, Graham believes: (i) He shld go only if asked by SC, since otherwise wld have no force behind expedition, which wld appear personal attempt bring home bacon in last hour; (ii) he shld see both Nehru and Nazimuddin appealing to both PriMins rise above power politics and come in person to UN forum with agreement which cld only redound to prestige both countries. Apparently, this is idea which Graham broached tentatively once before to Nehru, who appeared greatly interested.

2. Re tone his first oral statement before SC, Graham thought wld have to be mere factual explanation reasons behind his "views" set forth in his 19 [*18*] Dec report. Otherwise, his ability continue mediatory activities by flying trip to subcontinent after Indian elections wld be minimized. While unwilling commit himself on possible success this last-minute appeal to Nehru, Graham said he thought at various times, when he seemed to be coming close to Nehru, that GOI PriMin really wanted to settle Kashmir dispute on reasonable fair terms. He was encouraged by fact GOI appeared bear no resentment against him for views given in 19 [*18*] Dec report, which were unfavorable to GOI position. This last remark was occasioned by indications GOI willing Graham continue as mediator (Delhi's 46 to Paris Dec 28),[8] which info was given Graham in general terms.

3. Graham stated wld appreciate any info concerning development in subcontinent re his report, and also wld welcome being provided with argumentation to use with GOI re: (i) argument SC and Graham and not deal with Pak aggression; (ii) reasonableness Graham view that on 15 July 1952, at the end of the demilitarization process, there shld remain on either side of cease-fire line lowest possible number of forces based "in proportion" on number of armed forces existing on each side of line on 1 Jan 1949.

Graham departed evening Dec 30 for Menton, in south of France, and will not return to Paris until SC fixed date for Kashmir hearings. Arrangements have been made for communicating with him.

. . . . . .

5. Ross wondered if might have SC mtg about 18 Jan; Graham wld then go to subcontinent for week prior tabling resolution, in effort persuade both PriMins reach agreement, returning end Jan; then

---

[8] The same as New Delhi's telegram 2224 to the Department, Dec. 26, 1951, *Foreign Relations*, 1951, vol. VI, Part 2, p. 1925.

start negots for resolution in SC, tabling resolution and speaking to it before parties interventions, probably around Feb; parties cld then speak about Feb 12. Fowler thought cld not put off Paks this long.

6. Fowler will report discussions to London, emphasizing new factors presented by Dept thoughts and Graham views.

ROOSEVELT

690D.91/1–252: Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET NEW DELHI, January 2, 1952—8 p. m.

2299. For Acheson from Bowles. Re urtel 1295, December 21 [*31*] [2] on Kashmir, strongly urge you consider fol points:

1. Although I cannot guarantee Bajpai's sincerity in urging extension of Graham mission along line mytel 2273, Dec 29,[3] it our belief his attitude genuine. I can see no reason why he shld jeopardize his relationships with us simply to gain brief additional time in negots which have already covered many months. He himself pointed out he cannot guarantee success of negots in advance nor even Nehru's attitude under all conditions. However, I do not believe Bajpai wld have made this proposal unless he believed there was good chance that Graham cld succeed in securing agreement before Mar 31. We puzzled by London's 61 of Jan 1 (sent Dept 2935 rptd Karachi 51)[4]. . . .

2. It was probably wishful thinking recent months to assume Graham cld have secured agreement between Pak and India on the highly emotional subject of Kashmir while first Ind election were [*was*] being fought. However, Graham deeply respected here and since UN has been trying nearly four years thru one commission or another to secure agreement, it wld seem unreasonable not make one final effort.

3. As we have pointed out before, res condemning India in which we participated would seriously jeopardize US relations with this country at time when there seems every prospect for steady improvement. More than that, such res wld not serve any purpose in settling Kashmir problem but it will further arouse emotions which have been perceptibly cooling, and in all likelihood make a rational settlement impossible.

4. Altho Pak may be pressing for such action on part SC seems most unlikely that she cld, as a consequence, provide substantial milit assistance which we gather is one factor under consideration in Washington. The increased tension which wld surely result in Pak wld seem likely to tie down Pak Army even tighter.

---

[1] This telegram was repeated for information to London, Paris, and Karachi.
[2] Not printed, but see *Foreign Relations*, 1951, vol. VI, Part 2, footnote 2, p. 1928.
[3] *Ibid.*, p. 1927.
[4] Not printed.

5. Under the circumstances believe strongly we have everything to gain and nothing to lose from extension of Graham mission under broad gen terms and cannot believe Graham will refuse undertake this final effort in view Bajpai's statements both to Brit and ourselves. If Graham mission is continued believe it wld be mistake for SC instruct him to open negots directly with the two PriMins. Nothing cld be gained from specific instr this kind and it is possible that either Nazimuddin or Nehru might reject this type of public pressure. In view of Bajpai's suggestion it likely Nehru wld agree if same proposal was made by Graham privately.

6. Finally let me emphasize none of us here can guarantee what will happen if Graham mission is continued but we are unanimous in our conviction that with patient handling along lines mytel 2273, Dec 29 there fair chance this dispute can be settled, thereby eliminating serious point of conflict and at same time greater strengthening public confidence in the UN.

BOWLES

690D.91/1–552 : Telegram

The Secretary of State to the Embassy in India[1]

SECRET WASHINGTON, January 5, 1952—6 : 36 p. m.

1335. Re Kashmir. Dept's further reaction Bajpai's suggestion Deptel 1295 Dec 31, contained Embtels 2224 Dec 26,[2] 2273 Dec 29, 2299 Jan 2 follows:

1. Dept suspects Bajpai's proposals may be motivated by GOI desire delay SC res further and allow contd consolidation Ind position Kashmir. GOI may well have in mind a further spinning out process in which additional delays will be sought. If this true Bajpai's suggestions will provide mechanism for further delay and avoid possible SC action at this stage.

2. Nevertheless we do not wish pass over any possible opportunity afforded by GOI to reach settlement and in view strong Emb recommendations contained Embtel 2299 Jan 2 Dept suggests fol informal approach to Bajpai by Amb with implication clear that approach being made under instrs:

a) During long history negots on this issue Dept has been frankly disappointed in past that after being led believe more conciliatory attitude was developing on part of Ind, attitude had stiffened. FYI Bajpai strongly intimated to Dept officials in Oct 1949 that Ind wld

---

[1] This telegram was repeated for information to Paris (for the delegation at the General Assembly), Karachi, and London.

[2] *Foreign Relations*, 1951, vol. VI, Part 2, p. 1925.

agree to partition with a plebiscite in the Vale [3] which Ind subsequently rejected when presented by Dixon.[4] End FYI.

b) US wld be prepared support Bajpai's suggestion re continuation Graham's mediatory activities until Mar first if we have clear assurance re change of GOI attitude to indicate more responsiveness to Graham proposals. Minimum indication along this line wld be agreement to pt 10 of Graham proposals in Dec 18 report (appt of PlebAd).[5] We believe such undertaking wld be conducive to quicker settlement re nr troops to remain at end demilitarization period.

c) If GOI reaction negative we see likely end utility Graham in a mediatory role. In this event there wld seem to be no alternative but for SC to take further action which might well have unfortunate effect placing India in unfavorable light.

3. While Dept does not intend discuss foregoing approach with UK until after your reply recd, Dept leaves your discretion whether you discuss matter with Nye before or after your talk with Bajpai.

4. FYI only, if GOI reaction negative we have in mind, provided UK agrees, urging Graham make final appeals in person to Nehru and Nazimuddin for acceptance his proposals prior tabling SC res. In this connection we wld hope Graham visit wld last approx 10 days in which he wld visit both capitals. Dept believes best time Graham approach Nehru wld be about Feb 1 after Ind elections and before convening Ind Parliament. In event Graham unsuccessful Dept wld join UK in sponsoring SC res which wld presumably recommend parties accept Graham proposals.

5. In using phrase "if India were not asked to compromise too large nr of troops" (Embtel 2274 [*2273*]) Dept assumes Bajpai meant withdraw. In this connection Graham of opinion Ind figures much too large and he continues believe highly desirable have minimum mil forces on both sides. Presence large nr of troops wld in Dept's view lessen chances fair plebiscite. Re Bajpai statement India "might allow PlebAd to have final decision on placing these troops" GOI has already agreed per sec 4*a* Jan 5 1949 Res: [6] "PlebAd will determine in consultation with GOI the final disposal of Ind and State Armed Forces . . ." [7]

6. Dept believes inadvisable future conversations with Ind officials to make any ref to "pressure from Pak." Only pressure officially acknowledged by US is obligation work for just solution this dispute accordance with UN principles.

---

[3] For documentation, see *Foreign Relations*, 1949, vol. VI, pp. 1686 ff.

[4] Sir Owen Dixon of Australia had been appointed UN Representative for India and Pakistan by the Security Council on Apr. 12, 1950, in accordance with the Council's resolution of Mar. 14, 1950 (UN doc. S/1461). Dixon reported to the Security Council on Sept. 15, 1950 that no agreement had been reached between India and Pakistan for the demilitarization of the State of Jammu and Kashmir or on other preparations for the holding of a free and impartial plebiscite and requested the formal termination of his position. (UN doc. S/1791)

[5] UN doc. S/2448.

[6] The UN Commission for India and Pakistan (UNCIP) Resolution of Jan. 5, 1949, which set down the conditions and basic principles of the proposed plebiscite (UN doc. S/1196).

[7] Ellipsis appears in the source text.

7. Re para 2 Embtel 2224 you may in your discretion ask Bajpai what he meant specifically by "extending Graham's terms of ref as far as possible." Re para 3 Dept believes question Graham's mtg both Prime Ministers might well be left Graham's decision.

ACHESON

690D.91/1-1052 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET NEW DELHI, January 10, 1952—7 p. m.

2426. Had three long discussions Kashmir, one with Nehru, two with Bajpai. Results may be summed up as fols:

1. Bajpai states GOI has no basic objection setting up plebiscite administrator July 15 but suggest it wld be meaningless gesture unless other questions can be settled by proposed March 31 termination Graham's final effort.

2. Bajpai states demilitarization is basic prob which must be settled, and made fol points.

a. Ind must insist no Pak troops be allowed Kashmir terr during plebiscite. 4,000 Azad–Kashmir troops are nine times normal police force this area.

b. 21,000 troops requested by GOI roughly 20 percent number Ind troops Kashmir last June.

c. Under my repeated questioning Bajpai stated some such number required because geographic situation favored Pak and once Ind mil left valley it wld be difficult for them return. Bajpai finally agreed this figure might be subj reduction.

d. Explained that GOI has already agreed plebiscite administrator may place troops where he sees fit so that Ind forces cld not affect election result.

3. Bajpai stated in order avoid any last minute misunderstanding he also anxious have Graham clear up two additional points.

a. What does agreement previously reached mean "local authorities" in Azad–Kashmir? If this means local govts various cities villages and towns Ind agrees. If means overall govt of Azad–Kashmir which was described as unrecognized there might be difficulties.

b. What are standards under which former residents Kashmir who left country during disturbances may return cast vote? How will their eligibility be determined?

Bajpai stated he expects no difficulty over interpretation these two points but GOI wld prefer have Graham deal with them rather than plebiscite administrator who may not be familiar with background.

4. After repeated probing Bajpai unexpectedly stated he believed on conf basis it entirely possible work out agreement partitioning

---

[1] This telegram was repeated for information to London, Paris, and Karachi.

Kashmir with plebiscite confined to valley. He agreed Azad–Kashmir wld undoubtedly vote with Pak and said no shadow of doubt that Jammu wld vote with Ind. He agreed if Ind shld win plebiscite covering entire area it wld be faced with continual bitterness and opposition in Azad–Kashmir area with another population exodus and that there was no conceivable profit in this for Ind. He stated Ind had turned down Dixon proposal only because Dixon insisted Kashmir govt shld give up its duties six months before plebiscite was held. He likened this to request of Repub Party in Amer for Truman admin abdicate next June in order guarantee fair election in Nov. He stated question of partition had not been discussed with Graham and that his statement to me that he believed GOI wld accept reasonable proposal was in strictest confidence.

I kept my discussions with Nehru deliberately in gen terms because he extremely weary from election efforts and I did not want run risk drawing from him dogmatic statements which wld make compromise difficult later. Focused my attempt on emotional appeal to him to take moral leadership in this difficult situation and to relieve world of one of its most critical points of tension.

Nehru stated it wld be easier for Ind if Amer and UK did not insist there was no moral or legal difference in position of Pak and Ind in relation to Kashmir. He stated Pak had no legal rights in Kashmir while India's rights clear and Campbell-Johnson's recent book on Mountbatten issue accurately described situation.[2]

I said I understood his feelings but he shld also understand our concern when many Indian leaders speak of cold war as simply another struggle between power hungry blocs. I pointed out our moral position completely clear in relation Sov Union and that just as he regretted unwillingness of many Amer to accept fully his position on Kashmir so we felt keenly about some Ind statements about US–USSR conflict.

Nehru jokingly stated he wld cheerfully accept our moral position in regard to USSR and indeed already accepted it but in return we shld accept India's basic case on Kashmir.

There is obvious psychological roadblock here which complicates our efforts deal practically with situation as it now exists. Much of conversation consisted of discussion by Nehru of his relations with Sheikh Abdullah and his earnest desire estab Ind as secular state in which all religions work side by side.

My discussions with Bajpai much more detailed and specific but friendly. I argued many points vigorously on ground I cld not recom-

---

[2] A reference presumably to Alan Campbell-Johnson's book, *Mission with Mountbatten* (London, Robert Hale Limited, 1951).

mend continuation Graham mission unless I was personally convinced he had fair chance for success.

My conclusions these conversations as fols: 1. GOI deeply convinced can win fair and honest plebiscite in valley and Jammu.

2. GOI anxious get Graham here and sincerely hopeful agreement can be reached which will allow plebiscite be held.

3. GOI concerned over its ability handle Sheikh Abdullah if it compromises too far.

4. GOI will remain adamant on Pak troops Kashmir and will compromise on Azad–Kashmir and to some extent on its own troops.

5. Face-saving devices to justify GOI in reducing number troops may be possible through clear cut UN guarantee against aggression or intimidation.

6. GOI apparent willingness partition Kashmir with plebiscite confined to valley suggests further opportunities dealing with mil question. This emphasizes need for giving Graham broadest possible terms of reference.

7. Graham may expect to find more reasonable attitude on part of Ind provided face-saving devices can be developed, yet negots will get nowhere if Pak Govt receives impression we will support its position if negots fail. Must be made perfectly clear to Pak US playing no favorites and they can expect no help from us unless they willing enter negots with determination to find reasonable basis for agreement.

8. Situation remains complicated and cannot be settled in brief visit. Balloting for house of people completed Jan 30 except few areas. Graham shld come subcontinent Feb 1 with firm understanding this final effort and that his findings must be completed March 31.

9. Decision at this point by SC as to rights or wrongs of situation wld destroy opportunity securing reasonable settlement Kashmir dispute.

10. Wld also be mistake for UN simply leave situation to two Pri-Mins with request for them negot directly since this wld not increase chances for success and by admitting failure of UN effort wld tend to lessen world confidence in UN. If there to be agreement let us do everything our power see UN gets the credit.

Finally and with emphasis let me state I cannot guarantee what in Bajpai's or Nehru's minds, that I can only judge situation by what they say and how they say it, that even though Graham comes to subcontinent and Pak cooperates, can be absolutely no assurance of success but earnestly believes that considering long persistent UN effort it wld be tragic mistake not take full advantage whatever opportunities may exist now for final agreement.

BOWLES

690D.91/1–1152 : Telegram

The Chargé in India (Steere) to the Department of State [1]

SECRET NEW DELHI, January 11, 1952—7 p. m.

2447. 1. Bajpai called on Amb last night at his own initiative and producing copy Dixon report pointed out sections with which GOI agreed. Agreed sections covered Dixon's recommendations for partition Kashmir. But Bajpai indicated GOI still objected Dixon's recommendations for supersession Kashmir Govt by UN admin during plebiscite period. Bajpai's last minute call seems suggest continuing and perhaps deepening GOI interest in seeking solution by partition, but indicates little if any advance over GOI 1950 position re admin control during pleb period. Amb felt Bajpai sincere in approaches and they shld be earnestly considered, although Bajpai's statements and views re GOI position shld be treated with reserve.

2. Re Nepal comprising fol specific types asst: (1) GOI proposes send milit mission to Nepal to which Nepal PriMin gave tentative assent (2) GOI to provide civilian police team aid Nepal in securing twelve passes situated on Tibet-Nepal border (3) GOI to assist Nepal in constructing militarily usable road from Razual to Kathmandu, as well as lateral east-west roads within Nepal. (4) GOI to assist in construction Nepal airfields.

3. In course conversation Bajpai alluded to GOI interest obtaining certain military items, including tank parts from US. Amb stated to Bajpai US cld not be expected supply GOI with milit equipment and supplies until Kashmir settlement effected. Amb utilized this point strongly as argument for speedy settlement Kashmir problem. Bajpai indicated he fully understood US position re this point.

4. Amb expected amplify details his talk with Bajpai on arrival Wash.

STEERE

[1] This telegram was repeated for information to London, Paris, and Karachi.

320/1–1552 : Telegram

The Secretary of State to the Embassy in France [1]

SECRET PRIORITY WASHINGTON, January 15, 1952—7:07 p. m.

719. Re Kashmir re Delga 1027.[2] Fol are Dept's views after consultation with Amb Bowles re SC handling of second Graham report:

1. Preferred course of action. Graham reports to SC Jan 17 giving complete explanation situation, his views. Such statement shld include spelling out Devers plan for reasons set forth Gadel 688 Jan 12.[3] At

[1] This telegram was repeated for information to London, Paris, and New Delhi.

[2] Not printed.

[3] In telegram Gadel 688 to the delegation at Paris, Jan. 12, not printed, the Department suggested that Dr. Graham should explain in detail the exact nature of Devers' proposals. The Department appreciated Graham's fear of a strong

subsequent mtg week or 10 days later, UKDel and USGADel in statements to Council take fol position: *a*) Note satisfactory progress made; *b*) Note 2 major problems yet unsolved, namely troops to remain on either side of cease fire line at end demilitarization period, and appt PlebAd by end demilitarization period; *c*) Express belief and hope remaining differences can be resolved in very near future. Accordingly, SC wld be ill-advised act now in manner which might jeopardize reaching agreement these 2 fundamental points; *d*) State opinion Graham has authority and shld use it to return to sub-continent for further negots with understanding this is final effort before substantive SC action in event differences cannot be resolved; *e*) Indicate belief Dr. Graham shld report to SC on results final effort at his discretion and in any event no later than Mar 31. Under this procedure USGADel and UKDel shld undertake urge other dels make similar statements, so as to indicate SC majority opinion verbally Graham make one more attempt.

2. Alternative course of action. If, after assessing possibilities re course of action indicated one above, USGADel convinced it cannot be undertaken, Dept leaves to USGADel's discretion decision to co-sponsor UKDel res continuing Graham effort. Dept does not agree with UK draft res. Believes it essential, if res necessary, that it contain fol elements: *a*) Note Graham report and Graham statement; *b*) Indicate appreciation points of agreement; *c*) Note that 2 basic differences remain, namely, number of troops remain on either side cease fire line at end of demilitarization period and appointment of PlebAd by end demilitarization period; *d*) Direct Graham make final effort to effect agreement by parties on these 2 points; *e*) Direct Graham to report on outcome final effort at his discretion but no later than Mar 31.

3. As USGADel knows, basic problem either course of action is selling it to Pak Del. USGADel after reaching agreement with UKDel on course of action to be pursued shld assure continuing UK initiative with strong US support. If UKDel and USGADel agree preferred course of action in one above, line of argument with Pak Del cld be: next res logically shld be one either commending parties for reaching agreement re demilitarization or recommending steps to parties on how demilitarization shld be achieved. Now is not time for such res in view of Indian internal polit situation with real or alleged negot problems arising therefrom. Pak position in eyes all UN members and in world

---

Indian reaction, but believed no useful purpose was served by withholding the proposals, as long as Graham in detailing them indicated their tentative nature. Full divulgence, in the Department's opinion, would not jeopardize Graham's position vis-à-vis India so much as his failure to do so would vis-à-vis Pakistan.

The Department indicated for the delegation's own information that it had now seen details of Devers' proposals and believed them to be "fair, well thought out, and most sensible and practicable suggestions on staging of demilitarization." (320/1-1052)

opinion will be stronger by agreeing final delay whether or not Indians eventually accept remaining points demilitarization program. India can thus have no excuse for failing to come to agreement on remaining points unless GOP changes present well known attitude full cooperation with SC in solving this problem. If UKDel and USDel decide res must be introduced, efforts shld be made obtain agreement both sides that their statements will be brief and not conducive protracted heated debate, which more likely to be avoided by not having res tabled.

ACHESON

320/1–1752 : Telegram

The Acting Chairman of the United States Delegation to the General Assembly (Roosevelt) to the Department of State [1]

SECRET PRIORITY PARIS, January 17, 1952—11 p. m.

Delga 1089. Re Kashmir. Malik speech [2] which attacks Graham report and econ concept of plebiscite with UN plebiscite admin and urges instead settlement by Sheik Abdullah's constituent assembly is first Sov intervention in Kashmir case.

Since it may on examination present broad change in Sov policy by opposition to Pak, Gross commented only briefly that we seek settlement agreed by parties.

1. Speech can indicate Sov concentration on Indian public opinion because of USSR plans in SE Asia with consequent abandonment of Pak support. In showing support for Sheik Abdullah's constituent assembly it may be calculated to support independent Kashmir which wld be set up for Commie infiltration and which India wld be forced by its own public opinion to protect against Pak mil aggression. Without commenting on this phase, Dayal interprets it as having a bad effect on Indian Govt's support of UN means of settlement with wide appeal to India public opinion. Also, speech may be conditioned in part on desire of USSR to see Arab leadership in hands of Egypt and Azzam Pasha (we saw Malik in conversation with them yesterday and today) rather than in hands of Zafrullah who is more aligned to West.

2. Another interpretation of Sov move wld be desire to complicate a case they feel is moving toward settlement with irritation at Devers trip in border area and feeling US UK may be planning to supply troops to plebiscite administrator. Fowler (UK) and Ayub (Pak) are personally treating it as localized tactical move that shld be tested out by proceeding with plans re next steps.

3. Possible interpretation of move ominous nature might be this is part of Sov–Chi Commie plan for SEA and SE Asia mil adventure.

4. Until we have conferred further with UK and Graham and had further views of Dept, we believe that to proceed with instrs might be very dangerous particularly in view of Pak reaction which

[1] This telegram was repeated for information to Karachi and New Delhi.

[2] For the statement in the Security Council on Jan. 17 by the Soviet Representative, Yakov Alekxandrovich Malik, see UN doc. S/PV. 570.

wld have been adverse even apart from today's developments in SC (on either interpretation tactical questions will arise) such as:

(*a*) Whether USSR wld veto any further res on Kashmir, or whether we wld take case to GA?

(*b*) Graham's attitude toward continuing as mediator with or without res;

(*c*) Indian attitude toward further negots along lines of UN plan.

ROOSEVELT

357.AB/1–1852: Telegram

The Chargé in India (Steere) to the Department of State [1]

SECRET NEW DELHI, January 18, 1952—8 p. m.

2562. Bajpai asked me to call today and said GOI was anxious that US Govt and Amb Bowles shld know that GOI was as much surprised as they must be at Russian charges Anglo-US interference in Kashmir affairs and their alleged interest in mil bases Kashmir. He was at pains to emphasize that GOI had not given Soviet authorities info or lead upon which its charges cld be based. He went to length of showing me MEA cables dated Jan 10 to Ind Ambs Ankara and The Hague which had been repeated to Moscow but which, as far he aware, had not been communicated to Sov authorities because absence Ind Chargé Moscow in Berlin.

He also showed me exchange cables with jr officer Moscow, acting Chargé, instructing latter not to communicate contents cable in Gundevia's absence.

Cable in question outlined well known attitude GOI toward Kashmir question and upon issues recently under discussion Paris with Graham. They indicated GOI receptivity to all Graham proposals except that armed forces to remain either side cease-fire line shld be proportional to forces present Jan 49. Latter unacceptable to GOI.

Bajpai stressed cables sent to brief Ambassadors countries represented SC with which GOI had not been in close contact re Kashmir affairs.

Bajpai expressed hope it wld be evident that cable contained nothing which cld possibly give basis for charges such as USSR had made in Paris. I indicated agreement that this was also my impression. I also remarked that it had not occurred to Emb that Russian charges were anything other than tactics with which world thoroughly familiar.

MEA cable contains reference to assurance from UK that GOI wld be informed in advance of action which it now proposed to take in the Security Council. In this connection Bajpai expressed hope info might be recd before his expected departure for Paris approx Jan 24. He

[1] Repeated to London and Paris.

considered it most desirable he be able consult New Delhi on basis such info before his departure if at all possible. He revealed Setalvad, Ind Attorney Gen, and he expecting proceed Paris for SC discussion. Setalvad will lead debate while he, on doctor's instrs, will confine himself to advisory functions. GOI was concerned Thampa Istan was enjoying advantage Zafrulla propaganda activities Paris during coming critical days in which India inadequately represented.

Bajpai said he had spoken to Nye in same sense and I have since talked with Nye who confirmed he given identical info by Bajpai this morning.

STEERE

357.AB/1–1952 : Telegram

The Chargé in India (Steere) to the Department of State [1]

SECRET PRIORITY NEW DELHI, January 19, 1952—8 p. m.

2575. I saw Bajpai and Nye again today re Kashmir developments. Told Bajpai Emb impression that Malik statement had had strong impact in US and at Paris, and that we were concerned about reactions India and Pak. I alluded to Sadiq statement welcoming Sov attitude, and said it cld not but make bad impression US.

Bajpai said in reply that he had foreseen yesterday repercussion to Sov charges were likely and that was reason he had been at pains to make clear GOI in no way responsible (Embtel 2562, Jan 18). Sadiq said statement mischievous and he had so informed Nehru at Allahabad. We wld note Ind press had treated Sov charges with restraint, all he cld say confidentially that to press requests for lead he had stated GOI was taking no official notice of Malik statement. GOI did not want Kashmir question become part of ideological conflict.

I said that Amb Bowles, as he aware, had made certain recommendations re Kashmir talks with him, and I wld like to give him some idea of Ind reactions and attitude Kashmir in light Sov statement. Bajpai thereupon said that Amb and Dept might be assured that GOI attitude was still as had been outlined to Amb by PriMin and himself.

We then discussed possible effects Sov action on attitude Pak and on position in SC. Bajpai thought Pak reaction wld be emotional but concluded by saying he thought all parties wld recognize that Sov action aimed at stirring up differences, and that even Pak wld realize that Sov might veto SC res. At end Bajpai intimated his great interest in learning as soon as possible course US/UK decide to propose to SC.

Emb view is that Sov statement shld not be allowed delay or interfere with course action outlined Deptel 719 Jan 15 to Paris GADel

[1] This telegram was repeated for information to Karachi, Paris, and London.

rptd London 3358, Karachi 649, New Delhi 1413. GOI has recently given indications of readiness to go along in further UN efforts to resolve problem to delay now might release GOI from living up to these rather intangible but nonetheless important assurances. To falter wld also greatly weaken UN authority in Asia, and seem likely to throw Kashmir squarely into Commie's free world conflict, with India perhaps forced against its will into Commie camp on this issue.

STEERE

690D.91/1–2052 : Telegram

The Chargé in India (Steere) to the Department of State

SECRET NEW DELHI, January 20, 1952—5 a. m.

2577. Emb believes Malik's remarks re Kashmir before SC Jan 17 shld be read against background other developments India and elsewhere during past few months. Among these fol are considered significant:

(1) Since extension Amer food grain assistance to India in June, and particularly since Amb Bowles arrival in India in Oct there has been increasingly friendly tone Indo-Amer relations. Previous bitterness which characterized news articles and comment in Indian press has disappeared. Confidential conversations with high GOI officials seem show greater understanding US and Western point of view and to some extent spirit of accommodation.

(2) Recent conclusion TCA agreement and Amb Bowles reported remarks before US congressional groups regarding more extensive US econ assistance during next few years have recd wide Indian press coverage and have created definite impression US understanding India's econ problems and US efforts to assist.

(3) Fol opening Internatl Industries Fair (with strong Commie flavor) Bombay Jan 11 Russian Amb to India Novikov made statement indicating USSR prepared supply India with industrial equipment and buy Indian products. Novikov "offer" apparently taken seriously by Indian press and widely interpreted as attempt counter Amer aid plans.

(4) Commie and leftist groups have achieved greater success than anticipated in Tranancore-Cochin, Madras and Hyderabad during current Indian gen elections. These increased may strengthen Commie and leftist position in other Indian states which have yet to vote such as West Bengal.

(5) For some time Commie propaganda in India has plugged Anglo-US interference re Kashmir alleging their desire use Kashmir as armed base in guise trusteeship. Recent statements by high Kashmir Govt officials take similar line such as RevMin Beg supporting presence Indian troops. Kashmiri rejecting possibility their replacement by foreign, UN or neutral troops and suggesting Kashmir Con Assembly shld proceed with drafting Kashmir constitution in view Graham's failure. Kashmir Con Assembly Pres Sadiq Jan 18 welcomed Malik's SC speech and urged India withdraw Kashmir issue from UN.

(6) Dr. Graham's reports to SC indicating some progress toward solution demilitarization aspects Kashmir dispute, although important points remain to be solved.

In view foregoing factors, Emb speculates USSR believes time come it must endeavor disrupt improving pol and econ relations between Indian and US. Sov intervention Kashmir wld make dispute new item in ideological conflict and wld create impression India and Soviet views similar. Indo-US relations might be prejudiced and execution of arrangements for present and possibly future US aid to India might be hampered. Soviet support wld inject new spirit into Indian Commie ranks and possibility Commie successes in remaining Indian elections might be increased. Some Kashmir Govt officials wld view Soviet support as confirming their stand which might cause them more strongly to resist continuation Graham mediation. USSR might also hope Malik's statement its attitude wld deflect SC from continuation Graham's mediation activities at time when they appeared be moving forward with greater hopes success.

Emb notes some foregoing points covered Delga 1089, Jan 17 from Paris to Dept, rptd Karachi 13, Delhi 23. Emb believes USSR had all foregoing in mind and particularly possibility Malik's statement wld prejudice continuation Graham's further efforts. See Embtel 2575, Jan 19 for Indian reaction and Emb views.

STEERE

690D.91/1–2152 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, January 21, 1952—noon.

745. Last nite the PM in long conversation partly on Kashmir said he was not disturbed by Malik's statement in SC altho many of his colleagues were. Apart from attack on US and UK he said he interpreted Russian proposal for decision on future of Kashmir by freely elected Consembly as having no relation to "the farcical Consembly" set up in 1951. In his view, the Russ posit approximates closely Pak desire the only difference being a Consembly vote after a free election instead of a plebiscite vote on the future of the state. He said "the Russians have served notice we must take them into consideration and I intend to do it"; he wld review his govts hitherto negative attitude toward Russia.

About three weeks ago, he remarked, intimations came from Pak Emb in Moscow that Russians hoped Pak wld send delegation from Federated Chambers of Commerce to forthcoming econ conf and they also expressed wish for medical del to Sov Union (re return visit of Sov del to Pak medical conf last March). His analysis of Malik pro-

[1] This telegram was repeated to London and Paris.

posal is taken from press reports because he has not been in touch with Sov Emb here.

I felt obliged to remind him that any flirting between Pak and Sov wld undoubtedly have adverse effect on Amer public opinion with embarrassment to operation of cash reimbursable mil aid agreement now in effect between our two countries. He made no comment on my remarks.

I gather he feels confused and dismayed by present outlook of SC debate on Kashmir and doubts that he will be able to control indefinitely his press or his public opinion shld it be made apparent that SC is not prepared to take definitive action on Kashmir problem.

He reiterated several times that India continues to derive large benefits from her attitude towards US whereas Pak, which has tried not only to exercise a moderating influence in Iran and Egypt but also took a position of leadership on the Jap treaty signing, continues "to be pushed around".

He feels that if his people get out of hand on this issue his govt will fare no better than Govts of Egypt and Iran which he characterized as now being at mercy of ignorant and unruly mobs.

He concluded by saying that he had not heard from Zafrulla or Mohammed Ali in last few days but wld let me know what position he wld take on Kashmir when a Cab decision is requested by them.

Karachi press and public appear unanimously to assure ref in Malik's speech was to existing Kashmir Consembly (see Embtel 744, Jan 21)[2] and hence to regard speech as having placed Sov Union squarely on Ind side in Kashmir dispute.

WARREN

[2] Telegram 744 from Karachi, Jan. 21, summarized local press reports and other reaction to Malik's statement on Kashmir in the Security Council on Jan. 21. (690D.91/1–2152)

357.AB/1–2452

Memorandum by the Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) to the Secretary of State [1]

CONFIDENTIAL [WASHINGTON,] January 24, 1952.

Subject: Status of Kashmir Dispute; Significance of USSR Intervention

On January 17, 1952 Dr. Frank Graham presented to the Security Council his views on his report of December 18, 1951, at which time he made a strong appeal to India and Pakistan for a settlement of the

[1] Secretary Acheson requested in his staff meeting of Jan. 22 "to be brought up to date on the Kashmir issue," in response to which the Director of the Executive Secretariat, William J. McWilliams, asked the Bureau of Near Eastern, South Asian, and African Affairs to prepare a memorandum on the subject. (Memorandum of conversation by McWilliams, Jan. 22, 1952, Secretary's Daily Meetings, lot 58 D 609, box 22)

Kashmir dispute. Following Dr. Graham's presentation, Mr. Malik accused him of being a "secret agent of the Pentagon" and said that Anglo-American "annexationist, imperialistic" policies had prevented a settlement. The US and the UK, he said, "had denied the people's attempt to express their will by the constituent assembly", and "intended to transform Kashmir and Pakistan into military springboards against the USSR and new China". Although it was at variance with India's official position, based on a commitment to settle the dispute through a UN plebiscite, the Malik statement has encouraged elements which claim that the Kashmir constituent assembly can and should settle the question of accession. Immediately after the Security Council meeting Mr. Vishinsky assured Sir Zafrullah Khan that Malik had not meant that the present Kashmir constituent assembly should decide the future of the state, but that this might be done by a really representative assembly yet to be elected. Bajpai, Secretary General of the Indian Ministry of External Affairs, was at pains to assure our Embassy that India was in no way responsible for the Soviet intervention, and indicated surprise. This Soviet move, however, may provide India with an excuse for insisting on a maximum number of troops being kept in Kashmir. Bajpai also stated that India would welcome a continuance of Dr. Graham's efforts.

Probable Soviet aims are:

1. to support Communists in India who advocate independence for Kashmir, and possibly influence the current elections;
2. to promote friction between India and Pakistan which will delay a settlement;
3. to dissipate Indian good will toward the US resulting from American food grain assistance and other economic aid, and the cordial reception accorded Ambassador Bowles;
4. to lay the ground work for an eventual Communist coup in Kashmir.

Concurrently with Malik's statement in the Security Council on Kashmir, reports have been received that an irredentist campaign in Kashgar is being developed with a view to "recovering" Gilgit and Ladakh—territories in Kashmir bordering Tibet and Sinkiang—on the ground that these were once part of China. Thus active Communist pressure in the form of infiltration, military activity or propaganda has been extended in an almost unbroken line from Indochina to the borders of Afghanistan.

For some time we have been aware of the presence of a number of Communists or pro-Communists in the Indian-supported Kashmir government of Sheikh Abdullah. In his address before the Security Council Mr. Malik quoted the President of the Kashmir constituent assembly, G. M. Sadiq, reputed to be the leader of the Communist Party in Kashmir. Two days later, on January 19, Mr. Sadiq issued a statement fully supporting the Soviet views as expressed in the

Security Council and urging that India withdraw the Kashmir issue from the UN. In addition, the leader of the Socialist Party in India, Jayprakash Narain, has issued a statement calling for similar action.

The Pakistan Prime Minister has informed Ambassador Warren that "the Russians have served notice we must take them into consideration and I intend to do it", and added that he would review his Government's hitherto negative attitude toward Russia. While it is difficult to believe Pakistan would seriously consider allying itself with the USSR, it must be remembered that fear of India, disappointment over failure to settle the Kashmir dispute, and a feeling that the US may be partial to India, may lead Pakistan leaders to reappraise their policy vis-à-vis the US. In this connection the recent allocation of 50 million dollars of MSP aid to India, plus the pleas made by Ambassador Bowles in the US for large-scale economic assistance, have caused a certain amount of dissatisfaction in Pakistan.

UK officials are at present conferring with the Pakistan Foreign Minister, Sir Zafrullah Khan, in London and have agreed to present informally to him the US proposal that Dr. Graham go to the subcontinent to make a final effort at mediation during a period of not more than 60 days. Since any Security Council Resolution on Kashmir may now be vetoed by the USSR, we propose that Dr. Graham proceed with the approval of the various members of the Security Council but without a resolution. Assuming that Pakistan agreement to a final effort by Dr. Graham is obtained, we consider it of the greatest importance that Dr. Graham continue in the Kashmir case. Mr. Bowles mentioned this to the President on January 22. Failure to settle the dispute during the next few months may well lead to hostilities in the subcontinent which would ultimately benefit no one but the Communist bloc.

Recommendation:

That you indicate to the President the absolute necessity of keeping Dr. Graham on the Kashmir case, and express our hope that this will not jeopardize any other plans which the President might have for him.[2]

[2] A marginal notation on the source text indicates that the Secretary discussed the subject of the memorandum with the President on Feb. 4. See the Secretary's memorandum of conversation of Feb. 4, p. 1185.

690D.91/1–2252: Telegram

The Secretary of State to the Embassy in Pakistan [1]

SECRET WASHINGTON, January 24, 1952—1:50 p. m.

688. Dept seriously questions accuracy PM's analysis USSR intervention (Embtel 745 Jan 21) and assumes Emb shares this belief.

[1] This telegram was repeated to London and Paris.

Dept requests Emb's estimate importance PM's statement re reexamination GOP–USSR relations. When occasion arises Emb shld stress to PM our belief USSR action most likely motivated by desire block further progress when Kashmir solution appears to be in sight. Thus Sov tactic if successful cld only prove harmful to Pak. Re Vyshinski's explanation to Zafrulla (Embtel 751 Jan 22)[2] you shld note Malik clearly referred to present consembly and not to any consembly yet to be elected Vyshinski to contrary notwithstanding. In any event we have long ago learned to discount word of USSR spokesmen.

Emb may observe further to PM that for present at least any SC res very likely to be vetoed by USSR. If final Graham effort leads to agreement all pts fol another visit to subcontinent, USSR wld be in weak position veto resultant res. You may finally reaffirm to PM our single purpose in seeing Kashmir issue to early successful conclusion. Dept suggests further reference US–Pak mil aid program this connection not desirable.

FYI Emb will be kept informed London talks with Zafrulla re US–UK views on immed future course action SC and Graham which Dept hopes will result deferment res until after final effort by Graham.

ACHESON

---

[2] In telegram 751 from Karachi, Jan. 22, Ambassador Warren reported as follows:

"We learned yesterday from FonSecy Baig, and later from PriMin in conversation with Amb, that Zafrulla has reported a conversation in which he asked Vyshinski to explain significance of Malik's speech on Kashmir. Vyshinski replied it had no special significance, it was just normal participation in SC debate. He said Malik's ref to a consembly was not to the existing body but to a really representative one yet to be elected.

"Baig expressed personal opinion motive behind Malik speech was to 'throw a spanner in the works'. He did not think it was intended to help the Indians." (690D.91/1–2252)

690D.91/1–2552 : Telegram

The Chargé in the United Kingdom (Holmes) to the Department of State [1]

SECRET PRIORITY LONDON, January 25, 1952—noon.

3230. 1. Lord Ismay had two long discussions with Zafrullah yesterday in which he attempted to win him over to view it wld be desirable avoid formal SC res altogether, suggesting it wld be preferable merely afford Graham opportunity have last round of conversations with India and Pak, and that procedure cld be set in motion by Pres SC stating, after appropriate introductory speeches by US, UK, Fr and perhaps others, that it appears to be sense of SC that Graham shld make final effort.

2. At first mtg Zafrullah willing give idea reluctant support.

---

[1] Repeated for information to Karachi, New Delhi, and Paris.

3. UKG has now wired Paris and Washington reporting sense of above and recommending effort be made get necessary SC support for sending Graham back without res, or failing this then relatively anodyne res such as that already under contemplation.

HOLMES

320/1–2552 : Telegram

The Secretary of State to the Embassy in France [1]

SECRET WASHINGTON, January 25, 1952—8:03 p. m.

Gadel 840. Re Kashmir. Gadel 766, London's 1550 to Paris Jan 25.[2]

1. Dept has received fol info from Brit Emb today.

a) Conversations in London by CRO and Zafrulla and Mohammad Ali resulted in Zafrulla's reluctant agreement preferred course of action outlined in Gadel 719 Jan 15.

b) UK Del Paris has been instructed concert with USGADel re early SC meeting carry out preferred course of action.

c) UKDel instructed approach Bajpai as fol:

"Indians will know that resumption of negots without a council res endorsing Graham's views created difficulties for Paks. We have however persuaded the latter to give this course a chance and have told them we expect a sincere effort on their part to make the negots a success. We have done this in good faith because of what Bajpai has told us and the Americans about the readiness of the Indian Govt to resume negots under the aegis of Graham and because we are anxious not to jeopardise any chances of agreement. Pak Govt are facing risks in agreeing to this course. We are not asking for any undertakings; but we expect Indian Govt to respond with a sincere effort which in nature of things must involve significant concessions on their side if agreement is to be possible. We shall feel bound to regard their attitude in the forthcoming discussions as a crucial test of the sincerity of their expressed desire for agreement. In particular it will be difficult for us to avoid the impression that they are not sincere if they do not prove ready to modify their present proposals for the composition of Azad Kashmir forces on the Pak side of cease fire line which seems to us unreasonable as also the overwhelming disparity in the nr of armed forces in India's favour."

2. Dept notices London's instr UKDel Paris leaves to its discretion introduction res if GOP presses. This wld indicate uncertainty in London's mind as to extent of Zafrulla agreement re preferred course of action. USGADel may wish assess for itself this conjecture and if correct indicate concern any res at this time may be vetoed by USSR. Draft res such as transmitted to UKDel if vetoed wld certainly terminate Dr. Graham's activities, and raise acute question re next step.

---

[1] This was repeated to London, Karachi, and New Delhi.

[2] Telegram Gadel 766 and London's 1550 to Paris are repeats of London's telegram 3230 to the Department, *supra*.

3. USGADel, if it has not already done so, shld approach Pak Del indicating preferred course of action and reasons, therefor, i.e., possibility veto; US appreciates reluctance with which GOP may agree to preferred course of action and of firm belief this must be Graham's final effort; US will indicate in SC general endorsement Graham proposals.

4. Indian Del shld be approached along lines indicated likely UKDel approach except emphasis final sentence shld be on firm necessity Indians agree appoint PlebAd per Graham's proposal. FYI this designed support Bowles–Bajpai conversations and increase pressure on Indians.

5. In concert other SC Dels shld be approached as suggested Gadel 766 para 3.

6. Dept believes it necessary be certain Fr and Grk Dels consulted concerning Council procedure in view possible necessity President SC ruling it opinion of SC that no res continuing Dr. Graham role necessary since it shld be anticipated Sov Rep will state belief res is necessary. Dept presumes challenge of Sov Del to ruling of President re consensus of Council wld be supported by members of the Council. Any doubts this course action from Fr Grk Dels shld be reported immediately.

7. Dept suggests fol as basic elements US statement in SC:

a) US notes report as clear indication progress, though slow, being achieved in increasingly favorable atmosphere for settlement.

b) US endorses concept of Graham approach i.e., 12 point program and believes program likeliest, most logical approach to ultimate determination fate Kashmiris through plebiscite.

c) Basic issues remaining unsolved are agreement PlebAd appointment prior to end of demilitarization period, and nr of troops remaining on each side cease fire line at end of demilitarization period. Clearly these points shld not remain obstacles settling Kashmir question. Neither India or Pakistan can afford allow history indicate these points stood in way mtg their obligations under UN Charter i.e., peaceful settlement of their dispute.

d) Graham shld make final effort over period approximately 2 months to get parties agree remaining unsettled point for demilitarization program. This clearly within his auth under res Mar 30, 1951 [3] and Nov 10, 1951.[4]

e) US wishes Dr. Graham success; urges parties cooperate fullest extent with him.

8. Date next SC mtg left to discretion USGADel and UKGADel.

ACHESON

---

[3] For text, see *Foreign Relations*, 1951, vol. VI, Part 2, p. 1758.
[4] *Ibid.*, p. 1904.

690D.91/1–2852 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET

KARACHI, January 28, 1952—noon.

780. Deptel 688, Jan 25[24]. Whatever motive or motives may have been behind Soviet intervention in the Kashmir problem, Emb concurs in Dept's belief PriMin is wrong in seeing possibility that Russia intends playing a constructive role in South Asia. Moreover, we find little or no support for this thesis in FonOff or among public.

Even in case of PriMin himself I am not sure his analysis as reported in my 745, Jan 21 is a reasoned and final one. As I remarked in reftel, PriMin seemed "confused and dismayed" and it is quite possible that he may come around eventually to some other interpretation of the Russian move. Consequently, I feel any re-examination of GOP–USSR relations in light of PriMin's statement shld await further conversations with him. He is now in East Pakistan and will not return to Karachi until end of this week.

Having not recd the text of Malik's speech from Dept, I am unable to discuss with the PriMin Malik's ref to a Kashmir "Consembly" or Vishinsky's statement to Zafrulla that the ref was to a yet-to-be-elected assembly. The Karachi *Civil and Military Gazette* claims to have obtained full text of Malik's statement as published by *Pravda* and deduces therefrom that Malik's remarks were deliberately distorted by AP and Reuters. It wld be useful to know on what the Dept bases its conclusion that Malik referred to the present Consembly.

WARREN

[1] This telegram was repeated for information to London and Paris.

357.AB/1–3052 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET

NEW DELHI, January 30, 1952—6 p. m.

2718. Conversations yesterday with Nehru and Menon on Kashmir while marked by great reticence on their part indicated GOI somewhat resentful re tone of UK approach to Bajpai (para 1(*c*) Gadel 840, Jan 25, rptd Delhi 1503). Questions as to GOI sincerity plus argumentative tone approach may be misunderstood by GOI officials whose attitude like that of Pakistan's is often emotional re Kashmir. UK, HC and we agree approach was unfortunate in that GOI may interpret as effort obtain commitment in advance further mediation by Graham and to that extent lessen his chance success. It is also my belief that Bajpai's confidential suggestion to me that Graham shld consider possible future mtg of two Prime Ministers shld not be raised

[1] This telegram was repeated for information to London, Paris, and Karachi.

in discussion with Indian officials at Paris at this stage as such mtg wld be up to Graham and wld in any event probably depend upon course further mediation by Graham. Moreover, it might prejudice my future relations with Bajpai.

I realize this is old situation, that it has involved many tense issues, but may I suggest fol approach:

1. Let's all relax as much as possible and carefully avoid emotional involvement. Soviet Union trying put us in middle. If we don't look out they will succeed.

2. Make up our mind we alone cannot solve every problem and restrict our role this issue to that of friend to both countries which refuses take sides but anxious help if possible in solution present conflict.

3. In that mood send Graham to sub-continent soon as possible with minimum of discussion, scolding and advance bargaining efforts, and with clear understanding odds probably against settlement this time.

4. Pray for Graham's success but if he fails, keep our patience, refrain from moral judgments and adopt position in SC which, in light of situation then existing, will be best calculated to advance settlement between India and Pakistan, without aligning US with one side or other and thus avoid falling into a Soviet trap.

5. Meanwhile, consider various alternative steps both through SC and outside of it which might be taken in event Graham shld fail.

BOWLES

690D.91/1–2852: Telegram

The Secretary of State to the Embassy in Pakistan[1]

SECRET WASHINGTON, February 2, 1952—1:08 p. m.

728. Embtel 780 Jan 28. While Malik referred at length to present consembly he did not say precisely anywhere in statement present consembly is one to act on issue.

In penultimate para Malik's remarks he said "USSR Govt considers Kashmir question can be resolved successfully only by giving Kashmir people opportunity decide Kashmir constitutional status by themselves without outside interference. This can be achieved if that status is determined by consembly democratically elected by Kashmir people." This ambiguous passage probably used by Soviet apologists to refute charge Malik referred existing consembly though evident to Dept USSR wanted Indians to believe USSR had latter in mind. In either case Pak stands to lose.

Two-faced nature USSR operation indicated by fact that if Malik's remarks deemed applicable present consembly, viewpoint Sheikh Abdullah and certain Indian elements is presumably favored; while if Malik statement interpreted not apply present consembly, USSR is in position cynically to assure GOP (as Vyshinsky assured Zafrulla)

[1] This telegram was repeated for information to London and Paris.

USSR position not opposed to GOP position. Nevertheless it is opposed since selection of new consembly wld deny Kashmiri opportunity to vote directly on question accession. Furthermore statement cld in any event have effect encouraging Abdullah Govt toward autonomy with increased danger Commie domination Kashmir.

Dept will appreciate continuing info re developments Pak reaction to Malik statement.

ACHESON

357.AB/2–452

Memorandum of Conversation, by the Secretary of State

CONFIDENTIAL [WASHINGTON,] February 4, 1952.

WHITE HOUSE DICTATION

Item No. 2

Kashmir—Dr. Graham

I discussed the importance of Dr. Graham's making another effort in India to settle the Kashmir dispute. The President approves of his going and has sent him word to that effect.

320/2–652 : Telegram

The Acting Chairman of the United States Delegation to the General Assembly (Roosevelt) to the Department of State [1]

SECRET PRIORITY PARIS, February 6, 1952—9 a. m.

Delga 1309. From Gross. Re Kashmir. I met with Sheikh Abdullah at his request. He expressed doubts that Graham cld succeed under his present terms of ref which he thought were too narrow. As "innocent victim" of dispute between India and Pak, the people of Kashmir were suffering from uncertainty as to their future. Graham shld be given broader terms of ref so that he cld consider "other sols". Parties have dug themselves into their present positions and both sides will find it almost impossible to give in because of polit repercussions at home. Pak was insisting on substantial parity in quantum forces to remain after demilitarization. India cld not agree to this since its claim was based on instrument of accession and it had right to be in state. Pak forces shld be withdrawn and Azad forces disbanded. In connection with holding plebiscite, problem of refugees must be faced. There were four or five hundred thous refugees. Some in India wld have to be repatriated in order to have fair plebiscite and this wld take time even if it were possible at all.

I replied frankly to Abdullah along fol lines. We attached greatest importance to success of Graham mission. We considered time was of the essence. Graham had narrowed issues down and I cld not agree

[1] This telegram was repeated by the Department to New Delhi and Karachi.

with implication of Abdullah's suggestion that issues shld now be broadened again, or worse, that agrmts already made shld be set aside. SC had up to present time wished to deal with problem on basis of principles, and agrmts already made shld be carried out in good faith and UN mediators had been set up as SC agency to help bring about compliance with agrmts on demilitarization. We assume parties still honored their agrmt to establish conditions in which free and fair plebiscite cld be held and we still regarded demilitarization as indispensable step. Also essential to install plebiscite administrator.

I frankly expressed concern at Abdullah's pessimism, saying I thought sol in sight if both parties had will to find sol and full understanding of importance of reaching sol soon. Failure of Graham mission wld, I thought, be disastrous for people of Kashmir.

Abdullah asked me my views re probable SC action in event Graham mission failed. I replied we were not thinking in terms of failure of Graham mission. I expressed personal hope that SC wld not be driven inexorably to abandon efforts to mediate along lines of broad principle and be forced to prescribe specific terms of settlement. We have always wanted to avoid this course and this is another reason we attach such importance to success of Graham's mission.

I asked Sheikh Abdullah for his frankest reactions re Sov intervention in Kashmir case. He said it was clear that USSR had "reasons of its own" and thought it significant that they shld suddenly intervene after several years of silence. His own interpretation was that Sov was disturbed by suggestions which had been made, first in Commonwealth mtg in London and then by Graham, to have Commonwealth or foreign troops in that area.

When we parted I told Abdullah that I was glad we had had chance to talk frankly and I reaffirmed strong interest of US in seeing prompt sol built upon progress which Graham has thus far made.

Substance of foregoing communicated to Fowler (UK) who said Abdullah was in with similar story yesterday to Jebb. Abdullah told Jebb he favored independence and did not mention partition. He thought independence wld mean less danger of aggression from north and declared it had always been an acknowledged possibility. If plebiscite were to be held, he said it was essential for all refugees to return before vote and also for Kashmir to be unified with all Pak forces out, Abdullah's forces presumably taking over. If it came to pass, Kashmir wld choose India because it was secular state. However, GOI assurances on incapacity of Constituent Assembly to determine accession were only expressions of opinion from GOI. People of Kashmir were determined otherwise.

ROOSEVELT

690D.91/2–1152 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State

SECRET KARACHI, February 11, 1952—1 p. m.

844. Sat nite I sought interview with Prime Minister to learn his present thinking about Kashmir. He said he now attaches no significance to Malik's statement before the SC altho he does consider significant Vishinsky's remarks to Zafrulla in Paris that the Russians back a Kashmir Consembly freely elected rather than the present body. This he believes fols a pattern identified with Sheik Abdullah's known Leftist tendencies and desire for an "independent" Kashmir. Prime Minister says he does not understand why Nehru's govt fails to appreciate the risk of time working against them and in favor of Sovs on Kashmir issue. Once the question is resolved he said that India can concentrate attn on Commie menace in south part of the republic and Commie infiltration thru Assam and Nepal. They cld rest assured that once Pak has responsibility for the def of Kashmir there will be little further risk of successful infiltration from across the mountain passes leading from Sinkiang and the Pamir area of E Afghan. He said it is to the common interest of India and Pak to help Graham in his forthcoming efforts and also to work out with Eugene Black Pres World Bank a solution of the Indus Basin watershed problem.

When I inquired if he subscribed to the impression I have that the Kashmir issue is quiescent in Pak press and in public discussion at this time, Prime Minister agreed and said his explanation is the English speaking as well as the Urdu press of Pak have hopes that GOI, now that the elections are over, will move constructively towards a solution of Kashmir problem. He said his people have considerable faith that Graham may move further ahead in reaching agreement on demilitarization in next seven weeks and that he himself is very hopeful that Black who is spending this week in India will engage the careful thought and consideration of members of GOI on the Lilienthal plan. But he said his conclusion is that if nothing happens on these probs by the end of Mar then the reaction in Pak will be sharp and he is not sure that he will be able to control disappointments and frustration shld these present attempts at conciliation fail.

WARREN

357.AB/2–1252

The Secretary of State to the Secretary of Defense (Lovett)

CONFIDENTIAL [WASHINGTON,] February 12, 1952.

MY DEAR MR. SECRETARY: The Department of State has received a request from the Secretary General of the United Nations for the assignment of twelve additional United States officers for service with

the United Nations Military Observer Group in India–Pakistan. Similar requests have been addressed by the Secretary General to the other Governments which have provided observers for this mission.

It is the purpose of this request to restore the strength of the Observer Group to the level previously authorized. In the second quarter of 1950, the Department of State approved a United Nations proposal to increase the number of observers in India–Pakistan to sixty, thirty of whom were to be detailed by the United States. The Department of Defense concurred in this proposal and took steps to raise the United States contingent to the total requested. However, the Observer Group never reached the authorized level. In September 1950, there were forty-five observers in the field, twenty-three from the United States. There are now approximately thirty-one observers serving with this mission, seventeen from the United States. (This latter figure does not include the two United States Air Force officers on the crew of the aircraft assigned to this mission.)

In view of the importance of maintaining and insuring the full effectiveness of this Observer Group, the Department of State strongly endorses the Secretary General's recommendation that the strength of the Group be increased. General Jacob L. Devers (United States Army, Retired), who has served as military adviser to Dr. Frank P. Graham, the United Nations Representative for India–Pakistan, has expressed his views in the enclosed communications [1] as to the advisability of this increase. I would appreciate it if you could give this matter your early and favorable consideration.

Sincerely yours,

For the Secretary of State:

JOHN D. HICKERSON
Assistant Secretary

[1] Letter from Devers to Andrew W. Cordier, Dec. 3, 1951; report prepared by Devers for Graham, September 1951; neither printed.

357.AB/2–1252: Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET PRIORITY NEW DELHI, February 12, 1952.

2851. Deeply concerned for fol reasons over approach to Graham mission and implied US position in event failure as expressed in Gross conversation with Sheik Abdullah.[1] Assume you may see Graham in Washington before his return to subcontinent.

1. I am sending this directly to you. Many talks in Washington and in brief conversation in London I outlined GOI belief partition Kashmir with pleb confined to valley represented best practical solution to problem.

2. This position in our opinion has considerable validity. It will be faced continuing bitter opposition Jammu with transfers population

[1] As reported in telegram Delga 1309 from Paris, Feb. 6, p. 1185.

on mass scale if Pak shld win all-Kashmir pleb. He would be faced similar difficult situation Azad Kashmir if Ind shld win all-Kashmir plebs.

3. If settlement on basis overall pleb becomes clearly impossible best practical approaches to recognize this situation to work towards solution that would award Azad Kashmir to Pak, Jammu to India and pleb confined to valley.

4. This approach may also make demilitarization agreement somewhat easier belief here.

5. In previous Graham visit understand this possibility not discussed because in his conscientious opinion it lay outside his authority as granted by SC. I urged this situation be clarified when in Washington before his return since our objective is a lasting settlement, it should be peaceful and agreeable both sides and not simply one that fits previously adopted formula by United Nations.

6. That opening up question of Graham instructions at this time might be unwise; Kennedy, Hickerson and others made reasonable point but agreed that Graham should be informally advised of this possibility and urged to take whatever steps he thought best get settlement if overall pleb became clearly impossible.

7. Gross conversation with Abdullah is likewise misinterpreted as unexpectedly slamming door this approach and will give ammunition to fellow traveler group in Kashmir which GOI has been seeking to control.

Abdullah definitely cannot be trusted in this view.

8. Further disagree with point view expressed Abdullah conversation in reference SC action if Graham talks fail. Talk of prescribing terms of settlement in our opinion which invariably involves moral judgments and appearing take sides premature and dangerous. If Pak becomes convinced we will support such statement there is strong likelihood negotiations will become more difficult in event Graham failure.

9. We believe such a statement would be mistaken, reckless and empty for fol reasons even if Graham should fail.

a. [Garble] recd and adverse judgment would bitterly reject verdict, develop deep resentment against US and UK and possibility war between Pak and GOI would be increased.

b. Nation in question would not knuckle under and likely would be driven wrong direction if unemployed econ sanctions back up its decision.

c. It would be meaningless gesture if UN failed take action and UN prestige would sink.

d. Nothing would make USSR happier than be position be in India as great and good friend in SC on this issue, Soviet Union would take full advantage embittered situation.

10. For settlement our belief best chance exists is for Graham be unofficially encouraged make broadcast possible approach this task.

11. It is our opinion US position in SC should probably be as fols if despite every effort, incl an effort to induce parties agree on partition, if Graham fails.

a. Above all [not] to be drawn down deadend alley of empty judgment, take no sides and refuse above. We cannot take responsibility solving all problems everywhere, we are neither Ind or Pakis enemy.

b. Express hope that two govts endeavor achieve settlement by direct effort and also avoid recrimination.

12. If Graham should fail without making effort toward partition solution, SC should accept his failure as clear evidence futility seeking solution thru demilitarization and all-Kashmir pleb, and should propose solution thru partition and pleb in valley. Graham's report might make such recommendation or suggestion. But we earnestly hope that this "final effort' 'is one that tries everything.

BOWLES

357.AB/2–1252 : Telegram

The Acting Secretary of State to the Embassy in India[1]

SECRET WASHINGTON, February 18, 1952—6:51 p. m.

1686. For Amb. Re Kashmir. Embtels 2718 Jan 30 and 2851 Feb 12.

A. Dept guided by certain genl principles:

1. Primary US consideration is maintenance strictest neutrality as between India and Pak. US desires simply assist in any possible manner early solution acceptable to both parties. Either party showing unwillingness make fair concessions and live up to previous commitments wld naturally be inviting adverse criticism.

2. Case must be viewed as urgent problem with most delicate internatl polit overtones. Only possible solution regardless of claims and counterclaims of past rights and wrongs wld be one based on present realities and recognition that both sides have justifiable if conflicting interests. No disposition of case which is not freely accepted and implemented by both parties can possibly free subcontinent from danger eventual hostilities, lighten present drain on respective economies and enable both nations pool their defense capabilities against possible outside aggression.

3. Patience in view of intense emotionalism on each side continues be essential. This must not exclude firm pressure on either or both sides where calculated to induce them accept reasonable proposals.

4. It clear that Sovs and commies are intensifying their activities in and on borders of subcontinent in such manner as unmistakably to indicate immed threat. Kashmir maneuvers may well be one aspect overall commie strategy. Deptel 1571 to New Delhi Feb 2[2] provides background these developments; note especially presence of nr of commies or fellow travelers in Abdullah's entourage and Beg's proposed visit Peking.

---

[1] This telegram was repeated for information to New York.

[2] Not printed.

5. Case shld continue be pursued through UN, wherein UK assumes lead in intra-Commonwealth dispute, while US lends strong support. UN action of course does not preclude independent discussion by parties themselves. SC by implication in Mar 30, 1951 res rejected partition as result parties objections para 4 Feb 21 res [3] containing partition provision. Therefore discussion such step by or with the parties obviously must remain contingent outcome Graham's final effort or upon his judgment re timing or appropriateness such discussion. Premature discussion partition might be seized upon by one or both parties as pretext for not coming to agreement on demilitarization proposals and so prevent all possibility success this stage.

6. In view inability adequately anticipate polit-mil situation at time "free and fair plebiscite" it wld seem unwise assume which way Kashmiris wld vote. If India is confident of winning plebiscite it is to be hoped it will adhere to its own previous commitments and meet views UN Rep in order conditions may be established hold plebiscite early date.

B. Additional comment re next stage:

1. Graham leaving for subcontinent approx Feb 24. Badly in need rest week ten days in US before departure.

2. Is returning for negots with small staff. Devers remains officially as Mil Advisor but for urgent business reasons must remain in US, hence will not accompany Graham. Shld Graham later need him Graham will request him (or substitute) join negots immediately.

3. Two polit decisions most important: *a*) appointment of PlebAd by India; *b*) agreement quantum troops. Other problems re phasing demilitarization can be worked out per his program's point 9.

4. Graham will submit report SC as near time indicated by SC as possible. This means he will be subcontinent approx three weeks.

5. Nature SC action and possible res naturally will depend Graham's recommendations in report. Dept believes Graham not likely recommend SC take steps involving "moral judgment" and not likely to "take sides". Possible res wld endorse Graham's demilitarization proposals as spelled out by him in report and recommend to parties that they put such program into effect forthwith or soon as such details as may be pending are worked out, i.e., phases involved demilitarization program which wld be determined under point 9 Graham's proposals. If Graham reports unwise pursue idea demilitarization further Council undoubtedly wld consider his recommendations re next course action.

6. Dept understands Graham does not intend deviate from present assignment of achieving agreement 12 point demilitarization program and believes most essential he be given complete support this effort. Evident Graham believes SC has given him prior responsibility work out demilitarization; he does not believe it his duty or right raise such possible proposals as partition which by their nature not in accord general objectives UNCIP res, presently only basis UN action. If either party indicates to him desire make proposals to other re possible partition and plebiscite in Vale he no doubt prepared act as messenger. Dept concurs this view his responsibilities and role.

[3] The draft resolution was introduced in the Security Council by the United Kingdom and the United States on Feb. 21, 1951 (UN doc. S/2017).

Dept foresees possibility requesting you use ur immense personal influence at some given moment to be determined later to obtain Indian acceptance Graham's final proposals.

WEBB

357.AB/2–1852 : Telegram

The United States Representative at the United Nations (Austin) to the Department of State [1]

SECRET NEW YORK, February 18, 1952—5 : 50 p. m.

543. From Gross. Re Kashmir. Have just seen No. 2851, Feb 12, from New Delhi re Kashmir and in particular Emb expression concern re implications my talk with Sheikh Abdullah (reported Delga 1309, Feb 6).

Dept aware that for over two years USUN has studied case with UN reps McNaughton,[2] Dixon and Graham as well as with reps of both parties, including Zafrullah, Mohammed Ali and Ayub for Pak and Bajpai, Rau, Menon, Dayal and others for GOI.

I profoundly hope Emb New Delhi gives no indications to GOI or to Abdullah at this stage that any solution other than state-wide plebiscite following demilitarization is envisaged even as residual possibility. From beginning it has seemed of extreme importance to USUN (dealing with both sides and with impartial UN reps) that parties be firmly held to their agreement until and unless it is superseded by mutually acceptable alternative.

In his conversation with me in Paris, Abdullah was clearly shopping for bargains. I fear that quickest way really to destroy UN prestige in this case would be to weaken Graham's authority by permitting doubts to arise now concerning our firm intention to throw our weight behind compliance with agreements already reached between parties. I believe it is premature to say that SC should accept Graham's failure as "clear evidence futility seeking solution through demilitarization and all-Kashmir plebiscite". After all, this solution represents agreement of parties rather than SC fiat. I cannot believe it is "taking sides" to ask parties to honor their commitments.

AUSTIN

[1] This telegram was repeated by the Department to New Delhi and Karachi.

[2] Gen. A. G. L. McNaughton of Canada, President of the Security Council in December 1949, negotiated informally with Representatives of India and Pakistan. His final report to the Council, dated Feb. 3, 1950 (UN doc. S/1453), which included a plan for demilitarization, was accepted by Pakistan but rejected by India (UN docs. S/PV. 463–466, Feb. 7–10, 1950).

357.AB/2–2152 : Telegram

The Acting Secretary of State to the United States Mission at the United Nations [1]

SECRET WASHINGTON, February 21, 1952—7 : 37 p. m.

306. Re Kashmir.

[1] This telegram was repeated to Karachi and New Delhi.

1. During past week Brit Emb has repeatedly pressed Dept support UK suggestion with Graham that he get Nehru and Nazimuddin in face-to-face conf re Kashmir. Brit have expressed view that for Graham to continue merely as go-between will freeze GOP and GOI positions and prevent successful agreement re demilitarization. Dept has pointed out to Brit that if 2 PMs meet before Graham has exhausted all possibilities private mediation, PMs' positions under public pressure might freeze even more quickly. Dept has indicated while having no objection to Graham's getting 2 PMs together, if he so desires, wisdom such mtg is for him determine. Dept's reservations re such mtg are as fol:

A. Purpose such mtg is not clear and we believe 2 PMs shld not meet re Kashmir unless objective of mtg clearly established and something like agenda agreed upon. While possible 2 PMs wld be willing get together merely to discuss 2 major outstanding differences in Graham's 12 point program, i.e., quantum troops remain each side cease fire line end of demilitarization and date for appointment PlebAd, we feel such high ranking mtg for such purpose wld be trying kill ant with baseball bat.

B. If purpose mtg 2 PMs is effect quick political settlement of Kashmir dispute, it shld come only after quite clear present UN efforts reach agreed demilitarization program cannot succeed. SC has made no such assumption, nor has Graham. Effect of such mtg therefore wld be that India wld feel entitled believe it relieved of obligation to reach agreement pursuant to UNCIP res on demilitarization and state-wide pleb. Presenting opportunity to India at this time to avoid agreement pursuant to UNCIP obligations will wipe out effect of UN efforts during past year.

C. Graham has indicated repeatedly his conviction his duty is effect demilitarization per Mar 30, 1951 res. He understands he has other rights and powers than those merely relating to demilitarization but believes demilitarization is priority obligation.

2. In view above, Dept believes you shld inform Graham Dept's views re proposed mtg, indicating to him our belief attempting to get 2 PMs together entirely up to him. Dept assumes that UK Del will present UK point of view to Graham when he is in NY early part next week.

3. USUN at its discretion may discuss our reservations re mtg of 2 PMs with UK Del. In so doing shld indicate, as Dept is with Brit Emb, we open to persuasion if UK can convince us re chances success such mtg and can indicate ideas re logical course of action in event mtg 2 PMs fails.

4. Dept does not dismiss idea mtg 2 PMs at some time in future but, unless Graham desires such mtg, we believe it premature. Dept's present thinking is that mtg of 2 PMs might fol as logical step to SC action on Graham's final report if he reports failure.

WEBB

357.AB/2–2652 : Telegram

The United States Representative at the United Nations (Austin) to the Department of State[1]

SECRET NEW YORK, February 26, 1952—6:18 p. m.

550. Re Kashmir. Gross and Hyde lunched with Graham and conveyed to him substance Deptel 306, February 1[*21*].

1. He feels his primary task is to seek agreement on demilitarization. If he cannot obtain agreement on remaining issues, he will ask parties for their own suggestions for settlement. Finally he will submit his report which may or may not, depending on circumstances, contain his own recommendations.

2. On issue of demilitarization, he feels Devers plan of substantial parity on either side of the line will never be acceptable to Indians. He sees a little leeway for negotiation in getting Indians to agree to early date for appointment of PlebAd in return for Pak's agreement for smaller Azad Kashmir Forces and possibly to smaller reduction of Indian Forces.

3. Re UK view that Graham shld bring two PriMins together, he is disinclined to attempt this unless he sees a good chance of thereby settling case along lines of his twelve principles.

4. His staff problems are now solved. Elmore Jackson flies with him today. Graham is content to be able to call on Devers or an alternate to be quickly available if needed.

AUSTIN

[1] This telegram was repeated by the Department to New Delhi.

690D.91/3–1052 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State

SECRET KARACHI, March 10, 1952—10 p. m.

961. Zafrulla told me today he had a conversation yesterday with Graham, and today the Deputy Secy of Min of Kashmir Affairs has had a conversation with Marin Graham's personal asst. Zafrulla is seeing Graham again tomorrow.

When yesterday's meeting was arranged Zafrulla's asst was told that Graham was very anxious to present some thoughts to the Min at his earliest convenience. Imagine his surprise when after a preliminary conversation of 20 minutes Graham said to him that he wld like his concurrence in an estimate that discussion of the four outstanding points might lead towards agreement between the two parties. Zafrulla replied as he understood the four points consisted in the establishment of the number of troops and their categories that shld remain on both sides during the plebiscite, the date when the troop reduction shld be completed and which wld terminate in the appoint-

ment of the plebiscite administrator. In effect there are only two questions of importance that have to be resolved. One is the minimum security forces required and the second the date on which the operation, which wld be continuous, is to end. If Graham were to consider, and Nehru agree, these two essential questions Zafrulla said the next steps wld be a mtg of competent military authorities of both sides with Graham's own military advisor. For Zafrulla, a layman, to approach the Pak military command with a dictum wld in his opinion subj himself to ridicule for moving into a specialists field. He will press Graham tomorrow to suggest a troop disposition arranged by his own military advisor working with the Ind and Pak military.

Later this evening Graham came to see me. He knew that I had talked with Zafrulla today. He said that for the Paks to hold out for an adjustment of differences in the number of troops as proposed by India (21,000 on the Ind side and 2,000 on the Pak) as opposed to Graham's proportion of five to four wld be to play India's game of further delay in decision on what Graham regards as the basic question namely the appointment of plebiscite administrator and his induction to office. I inquired if he had broached this subj to Zafrulla. He said he intended to tomorrow.

Then I told him I did not believe Zafrulla wld want to make too strong a position on this discussion because I understood from Zafrulla he did not regard himself as competent to make recommendations on a technical military matter.

I then raised the question with Graham as to Devers availability, he said that Devers has told him it is inconvenient for him because of his business commitments to come to the sub-continent again and that he is not disposed to press him. He then raised the question of my opinion of Nimmo's competence to act as military advisor. I told him I had no basis of opinion for Nimmo's standing with the Ind military, but I know that he has been discreet and correct and is certainly well informed on the Kashmir matter and is held in high regard by the Pak military. From the Australian HICOM [1] I have an opinion that his status is equally good in India.

Graham then suggested that it might be useful to put it up to Nehru to have Nimmo preside over a military mtg of the Ind and Pak Generals to work out a recommendation for the troops disposition. In this way Graham's earlier recommendation cld be modified and a new suggestion worked out. If Nehru were to agree to the thought that Nimmo might be available I said I thought the Paks wld certainly take it. The reason which cld not be advanced is that I have an opinion expressed by the Pak military as late as yesterday that they wld like to see the problem handled in simple and broad lines and that they wld agree to any number of Ind troops remaining in Kashmir pro-

[1] J. E. Oldham.

vided their artillery were taken out. As for themselves they are willing to put their own troop disposition in Graham's hands.

Graham told me he is going to press Zafrulla strongly that the important thing is to remove this present obstacle of discussion on troop numbers in order to move into the next step which is agreement on the assumption of office of a plebiscite administrator. Graham feels strongly that if the Paks cld accept this point he cld prevail on Nehru to give effect to his statements that he is prepared to agree to the administrator assuming office.

It appears evident that Graham after drawing a blank in Delhi has now come to Karachi to get the Paks to accept a modification of troop dispositions that wld give him a basis for going back to Delhi and asking Nehru to agree on the next point which is the entry of the administrator into office. Zafrulla for his part seems determined to throw the military discussions into a technical field.

WARREN

357.AB/3–1152 : Telegram

The Secretary of State to the Embassy in India[1]

SECRET PRIORITY WASHINGTON, March 11, 1952—7:17 p. m.

1873. For Amb. Re Kashmir. FYI only. During Graham visit Wash Feb 11 prior to his departure subcontinent Dept officials indicated desire to be maximum assistance to him in his final effort achieve Indo–Pak agreement.[2] Informal suggestion made that if Graham believed Presidential appeal Nehru and Nazimuddin wld be helpful Dept wld consider recommending such a move. Timing wld be contingent upon some indication from Graham as to possible effectiveness. Graham expressed considerable interest in above suggestion but stressed appeal shld appear as spontaneous as possible.

In view limited period Graham negots such an appeal if made wld have to be forwarded within ten days or so. Appeal cld express sincere hope success Graham's efforts stressing settlement Kashmir dispute vital to peace of subcontinent and Asia as a whole.

Dept believes advantages such appeal can be gauged only in light negot situation facing Graham at moment and his as well as Embs estimate effectiveness such a move. Fol possible disadvantages occur to Dept: 1) Nehru and/or Nazimuddin might interpret appeal as unwarranted interference and stiffen attitudes; 2) Effectiveness appeal contingent upon confidential nature and strong possibility leak which might disrupt negots cannot be overlooked.

In view foregoing Dept requests Embs assessment wisdom despatch

---

[1] This telegram was repeated to Karachi and for information to London.

[2] A memorandum of this conversation of Feb. 11 with Dr. Graham by John D. Hickerson, Assistant Secretary of State for United Nations Affairs, is in file 357.AB/2–1152.

of Presidential appeal at this time. Emb shld if feasible confer with Graham and obtain his reaction possible consequences such a move. Utmost discretion of course imperative. Dept believes joint Truman–Churchill appeal not likely in view Dept understanding UK insistent that any appeal to PMs shld be for purpose getting them together under Graham's aegis. Graham advised Dept before leaving for subcontinent he believed getting PriMins together now might be premature and dangerous.

Reply soonest.

ACHESON

357.AB/3–1452 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State

SECRET KARACHI, March 14, 1952—11 a. m.

991. Before leaving for Delhi at 5 a. m. today Graham sent me word late last night that he leaves Karachi with more hope of reaching settlement on quantum of troops to remain in Kashmir than at any time during his visit here. In course yesterday Mahmud Husain gave him a dinner last night with Mohammed Ali and Mins of Agric and Communications present and Gurmani, now Min Interior and police entertained him at luncheon with Mohammed Ali and deputy Min Kashmir Affairs present. Graham also had conversation with Zafrulla yesterday evening when he went to take leave. Jackson, Graham's asst who was present at all these functions except at call on Zafrulla said atmosphere was much more hopeful and cooperative than it has been.

Graham wanted me to know that he feels Paks are willing to make more concessions on troop quantum subj to his proposals as to what constitutes minimum of safety. Feeling as he does that Nehru will be disposed to agree to installation of the plebiscite administrator once troop handicap is overcome, the prospect looks more hopeful as of today than it has at any time. I am seeing Zafrulla this p. m. and undoubtedly he will want to talk about the prospects of action in the next fortnight. Shld he make any statement to me that might be helpful to Graham, Graham has asked me to send it along to him safehand.

Ref Deptel 887 Mar 11 [1] Graham discussed with me desirability of trying to bring the PM's together at this time. I agree with him it wld be unwise to attempt it until a specific agenda has been first approved by each of them. In my opinion the time to bring them together is after there is an indication that Graham's 12 points have been accepted by both sides. Shld Graham encounter unexpected setbacks in Delhi, the decision wld have to be taken there on the desir-

[1] The same as telegram 1873 to New Delhi, Mar. 11, *supra*.

ability of the Pres making an appeal. Shld that be done the same language wld have to be used towards Pak, otherwise Nehru wld be affronted and any hope of settlement wld disappear.

WARREN

357.AB/3–1552 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State

SECRET KARACHI, March 15, 1952—1 p. m.

1000. FonMin yesterday p.m. confirmed the impression I had the night before from Graham that the Paks are prepared to make concession on the quantum of troops remaining both sides in Kashmir under Graham demilitarization schedule. Zafrulla said he regarded the decision on the minimum number of troops required as a mil opinion and that he had suggested to Graham the desirability of informing himself on the relative number rather than the question of ratio which might be a polit question by getting India to agree that the two commanders in chief with Graham shld try to work it out. The Paks do not believe Ind wld take such a chance even with her own military. Graham knows from what I told him of the Pak mil opinion how broad minded and imaginative they are in this respect. The fact that the Pak mil have no quarrel with Ind troop numbers so long as their artillery goes out cld be useful to Graham provided there were no polit reservations and this Zafrulla seems to be willing to concede. FonMin also said that Graham told him when he came to say goodbye accompanied by Marin that he felt confident Nehru wld agree to the other points in his program including the installation of the Pleb administrator once the mil consideration was out of the way.

WARREN

357.AB/3–2152 : Telegram

The Ambassador in India (Bowles) to the Department of State

TOP SECRET PRIORITY NEW DELHI, March 21, 1952—10 p. m.

3436. Graham left yesterday for Karachi and believe will go directly from there to Geneva to write his report. I have not cabled Dept about progress of talks because my only info until yesterday was given me by Graham on specific understanding it wld not be repeated to any one. However, Bajpai in mtg yesterday described to me progress of talks in detail and since this jibes with what I have heard from other sources I can repeat:

1. Graham has made more progress than in previous mtgs in Dec and now feels there is good chance situation can eventually be settled on reasonable basis.

2. Indian Govt has demonstrated most reasonable attitude and is agreed specifically on fol:

a. To remove all troops from Pakistan frontier for minimum distance 70 miles from border with most of troops going back 450 miles. This retirement in process and will have been completed by April 15.

b. Removal of additional 18,000 Indian troops from Kashmir to be completed by end April.

c. Both actions to be taken regardless of what Pakistan may do with no request by GOI for compensating advantages.

3. In addition GOI stated to Graham.

(*a*) Belief (but not agreement) that 21,000 Indian troops on which GOI insisted last fall can be reduced somewhat probably to between 16,000 and 18,000;

(*b*) That they cld see no difficulty agreeing appointment plebiscite administrator by middle of July once remaining difficulties removed;

(*c*) That best way remove remaining difficulties and reaching final agreement is through partition, i.e., Azad Kashmir going to Pakistan, Jammu going to India, with plebiscite confined to valley. Bajpai stated there was only one reason he had not made GOI partition proposal matter record through letter or memo. If Pakistan Govt shld learn about it now it wld be more difficult for Graham secure agreement this approach. Bajpai stated, however, GOI position was established as result clear verbal statement made personally to Graham and Marin. Bajpai confident if all efforts ended in failure no doubt about GOI attitude wld exist because Graham wld be able include verbal statement in his SC report.

4. Attitude Pakistan Govt has also been reported as reasonable and Graham convinced both sincerely want settlement.

5. However, because Graham was not briefed on partition possibility as reported by me in Jan he has continued take his terms of reference very literally and has informed GOI he cld not properly explore path which everyone here has consistently held offers best hope of settlement.

I emphasized this phase of situation repeatedly in Jan visit to Washington and again in telegrams, particularly Embtel 2851, Feb 11, and I believe it was mistake not inform Graham. Only conversation he had with rep of US Govt was with Gross in New York who told Graham of emphasis which he had placed on terms of reference in his talks with Sheikh Abdullah early in Feb. For this reason Graham is convinced he cld handle problem only on strict interpretation of his terms of reference, and because of this he feels can do nothing further at present. However his report will undoubtedly recommend he be allowed continue negotiate with broader terms of reference necessary cover this promising possibility.

6. It seems to us biggest question now will be attitude Pakistan Govt toward continuation of discussions under new mandate from SC since GOP has repeatedly stated will not agree to any further extension Graham negotiations past April 1. Graham will be seriously handicapped in talking to Pakistan Govt because if he tells them he asking

213-752 O - 83 Vol XI - Pt. 2 - 10

for broader terms of reference so he can discuss question of partition, Pakistan Govt may assume this is Indian proposal and very likely refuse go along. However, Graham reasonably confident he can convince Pakistan Govt Karachi he shld be allowed further opportunity basing his request solely on reasonable attitude shown by GOI.

If Graham unable win Pakistan agreement to continuation his efforts then probably wld be useless him return here and our only hope wld lie in direct negotiations between two govts with partition proposal as basis. On other hand if Pakistan Govt agrees continuation and if they do not get idea proposal of partition coming from Indians there seems be good chance Graham can bring two parties together fol favorable action on part SC in widening his terms of reference.

I asked Graham whether he wld be prepared continue efforts now if I were to inform Dept of latest developments and Dept were to cable him urging him widen his efforts here in case he thought GOI and GOP would be receptive to broader approach. He shrugged and said he thought it was too late.

If, as seems possible, both GOI and GOP were to be found receptive to partition idea it seems shame Graham leave here at this time for legalistic reasons.

If Dept shld decide situation requires its intervention and it wishes refer info from Delhi in msg to Graham, I wld appreciate you referred to info "communicated to Bowles by GOI".

Extremely important there be no leak to anyone on development this situation since it wld not only be embarrassing to us here but also cld readily jeopardize attitude Pakistan Govt. In any event nothing we can do until Graham report completed.

BOWLES

690D.91/3–2152 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET NIACT KARACHI, March 21, 1952—7 p. m.

1042. FonMin said this afternoon he is very depressed. Graham came to see him today. All India offers is withdrawal of one division from Kashmir which still leaves an army of 45,000 and no hope of agreement on minimum mil forces necessary for security.

As for India's withdrawal of her army from Paks Punjab border, last year Nehru announced the mobilization was no threat. Therefore the withdrawal is no relief.

Zafrulla commented that Graham now goes on to Geneva to write his report and present it to the SC the first week in April. He sees no basis for optimism and no reason to expect either US or UK to press

[1] This telegram was repeated for information to London.

SC for positive action calling on both parties to reach agreement forthwith on quantum of troops.

Zafrulla says his own burden is the heavier because he must make some statement to his people.

I venture to recommend that now is the time for the Pres to make an appeal to the two PriMins. I have not yet seen Graham.

WARREN

357.AB/3–2252 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, March 22, 1952—11 p. m.

1052. 1. Under Cab instrs resulting from a mtg that lasted late last nite the FonMin sent for the UK HICOM [2] and me separately today and expressed in almost identical language, the Pak Govt's sense of bitterness and frustration at the failure of Graham's present mission to the subcontinent. The UK HICOM read to me his draft of the interview including his advice to Zafrulla.

2. After Zafrulla's conv with me yesterday as reported in mytel 1042,[3] he attended a Cab mtg at the Gov Gen's house and reported that Graham proposed to leave Pak in a few days for Geneva there to prepare a report for the SC to the effect that there was no agreement between India and Pak on the minimum nbr of troops to be held by each side in Kashmir to insure conditions for a fair pleb. As a consequence it had not been possible to proceed to consideration of the remaining point in Graham's proposal, that is the installation of the pleb admin in Kashmir. FonMin told the Cab that Graham had come out to the subcontinent without his mil advisor and was accompanied by an undistinguished group of assistants, that he had not made any specific proposals and the time had been wasted. He recalled to the Cab that Pak had agreed to this present visit of Graham's only on the insistence of Lord Ismay. The Cab's reaction to this report was violent. They said that Pak has been "tricked".

3. The FonMin then said that as he had advocated recourse to the SC for the resolution of the Kashmir problem and as his efforts had proved to be futile and as the SC seemed unable thru its agent to bridge the gap of differences between Pak and India, it appeared that he shld confess the failure of his policy by tendering his resignation as FonMin. What the public reaction wld be shld his resignation be accepted cld not be surmised but the Cab agreed with him that if he were to resign Pak public opinion might force the resignation of the Cab and face the country with a grave crisis.

---

[1] This telegram was repeated for information to London.
[2] Lt. Gen. Sir Archibald Nye was U.K. High Commissioner in Pakistan.
[3] *Supra.*

4. Some members of the Cab in the heat of discussion advocated Pak's immed withdrawal from the commonwealth of nations. They said that their presence in the commonwealth prevented them from taking the water rights dispute with India to the Internatl Court of Justice and they might do better if they were "on their own".

5. The US came in for sharp criticism on the grounds that the present Amer policy in India is more than conciliatory while the US has never shown any marked preference for Pak's goodwill altho Pak reps in internatl bodies have almost uniformly aided the US in voting and advocating the Amer point of view on critical conditions.

6. The Cab finally decided that the FonMin shld call in the UK HICOM and myself and request that we inform our govts of the grave sitn that will arise when the Graham report is presented to the SC and the Govt of Pak must inform its people of the position as it sees it. The FonMin was to recommend to each of us the urgency of obtaining Amer and Brit support for the application of art 37 of the charter of the UN to the Kashmir issue.

7. The UK HICOM after he had listened to the exposition, ventured to impress on the FonMin the necessity for caution on the part of his govt so as not to excite public opinion at this time. He said that while he wld report as requested the attitude and feelings of the Pak Govt, that he doubted if the UK Govt wld be able to instruct him on further steps to be taken until after the Graham report had been recd and considered by the SC. He said that while he cld not express an opinion on the minimum nbr or troops required for internal security in Kashmir he agreed with Zafrulla's previous stand that the question is a tech one and he hoped that the GOP had taken this into consideration in its convs with Dr. Graham.

8. The FonMins conv with me was conducted on a somewhat more informal basis than his interview with the UK HICOM altho they are close personal friends of many years standing. Since he had talked to me earlier yesterday before the Cab mtg, he did not review in detail his statement to the Cab but did point up the tender of his resignation and the probable consequence shld it be accepted. I asked him if there were any likelihood of that taking place and he said no. On the other hand, he told me that the bitterness and frustration in the Cab was violent in its demonstration and that in such a tempo it was quite possible that foolish and disastrous decisions might be taken.

9. We then proceeded to a more considered discussion of the present sitn bearing in mind that Graham is still in Karachi and will not be leaving for several days. I asked Zafrulla why it was that he had allowed a situation to come about where no specific proposals had been made and where nothing had been done without placing his own posit on the record. Graham had told him yesterday of India's intention to withdraw a division from Kashmir leaving 45,000 troops there

and the program of the Ind Army's withdrawal from the Punjab frontier to a depth of 70 miles. While Pak over the past months had withdrawn without fanfare over 75 percent of her troops from the border adjacent from the Ind Army, nevertheless, I suggested Ind by publicizing its contemplated disposition wld go far in re-establishing a sympathetic world posit which it had lost last year at the time of troop mobilization. It seemed to me that Pak made no point of its willingness to accept the mediators estimate or even to ascertain what the estimate wld be of the minimum troops necessary in Kashmir, and that Graham in drafting his report wld in all fairness blame Pak possible more than Ind for an intransigent attitude on troop dispositions and mil posture. Earlier in our convs of this present month, Zafrulla had expressed the point of view that he was incompetent to estimate the ratio or quantum of troops which shld remain during the pleb. When I asked him if he had placed this attitude on the record, he replied it was that point that gave him reason to think.

10. I told him I cld sympathize with the Cab's sense of frustration at the negative report he had presented, but at the same time I was sure he wld counsel them to the contd exercise of caution and the contd patience on the part of the press which has been useful in recent months. It seemed to me that time had not yet run out and I hope that he and his colleague wld review the sitn in the hope that further convs might be held with Graham that wld narrow the gap of difference and press the responsibility on the mediator of fixing the quantum rather than ratio of forces in Kashmir.

He is seeing Graham again tomorrow.

WARREN

690D.91/3–2352 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

SECRET NIACT WASHINGTON, March 23, 1952—5:42 p.m.

936. 1. Pls take earliest opportunity ascertain from Graham latest GOI position re quantum and/or ratio of troops at end demilitarization. On basis available info Dept under impression there may still be room for additional pressure either by US and UK Reps in New Delhi or by Graham himself in view Indians' past indications ref to figure of 21,000 not necessarily final.

2. Dept also under impression Graham has not yet discussed concrete proposals re quantum troops, and believes such discussion essential. Dept suggestions to fol.

3. Dept strongly hopes Graham will for present reserve decision re departure for Geneva.

---

[1] This telegram was repeated to London as telegram 4688 and for information to New Delhi.

4. Re Zafrullah's inquiry possibility US–UK sponsorship art 37 action you may tell him US position will be governed largely by nature and content Graham report.

5. Brit Emb Wash alerting London this tel. Emb London pls immed inform FonOff and CRO who will presumably tele comments and instrs to UKHC Karachi. Emb Karachi pls consult UKHC.

ACHESON

357.AB/3–2452 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

SECRET NIACT WASHINGTON, March 24, 1952—5 : 22 p. m.

937. Re Kashmir. Re niact Deptels to Karachi as 936, London as 4688, Mar 23. You are requested to convey to Graham fol views Dept for his consideration:

1. Unless he has already done so, can he not make specific suggestions to both parties re precise number and nature troops or ratio troops remaining each side demilitarization line? Is it too late for him to make new specific suggestions even if both parties have rejected previous specific suggestions? We believe Graham report to SC wld be materially weakened if it does not discuss specific proposals re number or ratio of troops remaining each side demilitarization line made to both parties and their replies. If SC is to take any constructive action on basis Graham's report it must have clearest indication limits area of disagreement. It wld be difficult for SC effectively to act upon mere comments that parties cld not agree on quantum or ratio of troops.

2. Re number of troops, fol possible alternatives occur to Dept: *a*) Without indicating numbers based on ratio of troops at time Jan 1, 1949 cease fire, maximum troops at end of demilitarization period mght be 18 thousand troops on Ind side (to include State forces, line of communication, supply, signal corps everything) and 11 thousand troops on Pak side cease fire line (to be composed generally as indicated in third phase Devers' plan). Neither party shld have artillery with remaining troops on either side cease-fire line by end of demilitarization period. Figures cited based on fol considerations: GOI has indicated to Graham that their figure of 21 thousand troops cld be reduced as low as 16 thousand. Accordingly, 18 thousand gives Indian median figure allowing for line of communication of troops. 11 thousand figure for GOP based on slight up-raising ultimate figures suggested by Devers as constituting minimum security force for Pak-controlled Kashmir. *b*) Basing number of troops on polit decision, suggestion of ratio has obvious merit for quick decision from two govts. Ratio of troops at time of cease fire was 5 to 3 in favor GOI. That ratio

---

[1] This telegram was repeated to London and for information to New York and New Delhi; subsequently repeated by the Department to Geneva.

has since apparently been widened to 2½ to 1 in favor of GOI. Suggest ratio might well be restored to 5 to 3, or be 2 to 1, or 3 to 2 in favor GOI. Uunderstanding being no artillery by end of demilitarization period and maximum figure to include all necessary service troops.

The precise number of troops remaining and staging of withdrawals presumably wld be worked out under para 9 of Graham's proposals.

Along with either alternative above, Graham mght suggest to parties point 7 of 12 point program be amended by adding fol:

"and further agree that if either govt believes that adjustments in the level of troops on their side of the cease fire line shld be made in the interest of internal security of the area under their control they may at the end of the demilitarization period, but not prior to carrying out the other provisions of this para, request the UN Rep for India and Pak to undertake the negot of such an adjustment with the other govt or to request the PlebAd to undertake the negot of such an adjustment pursuant to para 8 of the Jan 5, 1949 res".

In making this suggestion we believe the important thing is agreement on number troops at end of demilitarization, and performance of agreement. This amendment will have advantage of allowing both sides feeling that security requirements of portion of state under their control can be reconsidered fol demonstration their *bona fides* in complying with demilitarization provisions. We feel reasonably sure that if fol actual reduction of forces in area threat to internal security of state arose either from Commie neighbors or from Abdullah Govt UN Rep cld negot new level of troops with both parties cooperating.

3. We believe Graham might well take present opportunity to go back to Delhi to press GOI agree to appointment PlebAd. Unless or until number of troops can be decided 12 point program not binding on either party. Agreement now of GOI to appoint PlebAd all in GOI favor in forthcoming SC debate.

In presenting these views, indicate to Graham we prepared to give such parallel diplomatic support in Karachi and New Delhi as he may believe wise and we fully prepared to take necessary steps to discourage early consideration Graham report in April if further negots possible on subcontinent now.

ACHESON

357.AB/3-2552 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

TOP SECRET KARACHI, March 25, 1952—5 p. m.

1076. 1. Yesterday Graham had lunch with the GovGen, Zafrulla, and

[1] This telegram was repeated by the Department to London as telegram 4748 and to New Delhi as 2004.

Mohammad Ali. He came to see me immed afterwards. At Australian FonMin Casey's request, I arranged an interview for him with Graham. Then Casey went to see Zafrulla. He is very anxious to be helpful but Graham told me later that he did not feel he cld speak freely with him. Graham came to see me at 4:30 to say goodbye. His plane was due to leave for Geneva at 6:00 but it was delayed and he did not get away until 9:30 this a. m.

The Dept's 936 of Mar 23, 6 p. m. did not reach me until 3:45 a. m. this morning. Immed after its receipt, I saw Graham and tried to prevail on him as I had yesterday afternoon to reverse his decision to depart for Geneva. He said that he appreciates thoroughly the seriousness and gravity of the present situation arising from the Pak attitude towards his mission, but he has concluded that the best thing for him to do at this time is to prepare his report and get it before the SC. He indicated the report will include ref to troop quantum discussions he was unable to tell the Paks because of possible violation of Ind confidence.

2. He had drafted a short statement to give the Pak press at the airport when he left last night. It was probably as favorable in its language as truth and the circumstances permitted. It included a note of hope based on Graham's conviction that some progress had been made during his present stay in the subcontinent. The press statement was not to be issued, however, until he actually went aboard the plane. The Paks took advantage of his delay by leaking to the local English language press their impression of the failure of his mission so that he lost the initiative in the issuance of the press statement. In a separate tel I am forwarding a general summary of the press which coincides with the Cabinet attitude towards Graham as of today, together with Graham's release. I have asked to see Zafrulla but he will not see me until tomorrow on account of illness. He has also declined to see the UK HC who today received instructions similar to mine.

3. I regret deeply Graham decision to leave at this time. The Paks appear convinced that he did not make specific proposal to GOI on the minimum troops that Ind wld accept in the demilitarization program. They resent what they believe is abandonment of Devers formula without substitution. Zafrulla has been informed in rather intimate details of alleged differences between Graham, Schmidt, and Devers, and believe that the Devers ratio was not utilized in discussions during this visit. While I have no facts that I may cite to support my opinion, I am strongly inclined to believe that the Pak Cabinet is out of hand and that Zafrulla having been voted down by his colleagues has now joined up with them and that the decision for war is either in the making or may possibly already have been taken. I realize the seriousness of such an expression, but I wld be failing in my duty if I did not voice it at this time. Notwithstanding the words

of caution that have been addressed to the PriMin and to the FonMin by my Brit colleague and myself separately and almost continuously over the past few days, I believe they have fallen on deaf ears. The newspapers today show it. Some of my closest friends in the govt are now avoiding me and I believe it is being done under instructions. I do know in the almost continuous Cabinet mtgs which lasted the last few days until midnight that feelings have run high. It is no longer in my opinion desirable for the Pres either alone or with Churchill to appeal to the two PriMins to reconcile their differences. Such an appeal I believe cld be made only at the time Graham may submit his report and time may have run out then. I hope the Dept may prevail upon Graham to reconsider his departure and to return here and attempt to obtain from GOI a statement that wld at least keep the door open. With Graham's final departure from the sub-continent, I think the Paks consider that the link with the SC has in effect been broken and that they find themselves alone in the world without a friend and in a position so desperate with respect to their own people that the most catastrophic decision can be entertained without appreciation of disaster that may overtake the area. I realize there may be elements of bluff in this situation to impress the UK and US but I discount them. I do not think the Cabinet has the courage of Liaquat to face a fanatic and disappointed people and call for patience in slow progress. The PriMin last night in a reception to the Colombo plan conf wore a steel jacket under his coat. The Commander in Chief until yesterday was scheduled to come to Karachi on April 6, 7 and 8 for a conf. His orders have been changed and he will proceed from E Pak where he is inspecting, to army headquarters at Rawalpindi. Under the power of personal and collective fear, I believe their judgment may be distorted.

WARREN

357.AB/3–2652 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, March 26, 1952—4 p. m.

1085. Ref London Embtel 65, March 25 sent Dept 937.[2]

As reported in my 1054 of March 23,[3] Graham left Karachi yesterday KLM 9:30 a. m. for Geneva. I am assuming the Dept will communicate with Graham in Geneva if it desires to bring to his attn the

---

[1] This telegram was repeated for information to London and by the Department to Geneva.

[2] Telegram 65 from London to Karachi, Mar. 25, was the same as telegram 4239 from London to the Department, not printed. It made reference to the Department's telegram 937 to Karachi, Mar. 24 (p. 1204), and inquired, *inter alia*, whether the Embassy was able to deliver the Department's views expressed therein to Graham before his departure. (357.AB/3–2652)

[3] Not printed.

material in its 937 of March 24, 5 p. m. which arrived in Karachi after Graham's departure.

Zafrulla this a. m. said he was much better physically and appeared more cheerful mentally than he has been the last several days. He repeated to me almost verbatim the conv he had earlier today with UKHC as to what he had said to Graham when he last met him for luncheon at the GovGen's with only Mohammed Ali as the fourth person present. His remarks were substantially the same as Mohammed Ali gave me last night when he said that the three of them had attempted to prevail upon Graham to return to Delhi instead of going to Geneva, with the suggestion that he present the GOI with specific proposals on the quantum of troops and that he consider after conversing with Nehru the possibility of a mtg with two PriMins.

Zafrulla added today that he cld not understand why Graham felt unable to move on either of these suggestions. He expressed the hope that it was not yet too late for Graham to return to the sub-continent after several days stay in Geneva to write up his report thus far, and if he does return, he wld hope he wld bring with him a mil advisor, either Devers or Malone, in order to work out with the govts of India and Pak their specific views on the quantum of troops in order that the SC when it has Graham's final report will have positive material on which to make a decision. Zafrulla reiterated his country's willingness to consider a mtg of the two PriMins. This I regard as a great step forward. I had not believed that the Pak PriMin wld be willing to meet Nehru because of his impression of Nehru's great ability in conv and debate and his own relative inexperience in recent years in negot. When I asked Zafrulla if he felt there might be any possible reflection on Graham's personal or official position if he were to come back, he said that he did not see how that might occur, that if he shld return in the next few days, the action cld well be construed as part of his present mission and that so far as the time element is concerned, Pak gave no significance to the March 31 deadline. He did not believe Ind wld attach any significance to it either.

WARREN

357.AB/3–2652 : Telegram

The Secretary of State to the Consulate General at Geneva [1]

SECRET NIACT WASHINGTON, March 27, 1952—7:10 p. m.

732. Re Kashmir re Karachi's 1085 to Dept [2] and Dept's 937 to Karachi rptd to Geneva as Deptel 733.[3]

---

[1] This telegram was repeated to London and for information to Karachi, New Delhi, and New York.

[2] *Supra.*

[3] Dated Mar. 24, p. 1204.

AmConsul is instructed as matter of urgency to contact Dr. Frank Graham, UN Rep for India and Pakistan who is now in Geneva and hand him copy this tel and paraphrased copies reftels.

(1) Re Karachi's 1085 Dept views Zafrulla's comments to Amb Warren as encouraging development fol apparently serious cabinet crisis past weekend resulting from disappointment over apparent lack of agreement re Kashmir and Graham's departure Karachi. Consequently we believe it of utmost importance, if at all consistent with his thinking, that Graham take some further steps re Kashmir to encourage possible bargaining by parties which we believe parties may now be prepared enter into;

(2) Dept's 937 to Karachi indicates our suggestions re possible specific proposals which Graham might make to both parties. We suggest that he consider simultaneous communication such proposals or any alternative ones he believes preferable to both govts. Such communication might be made now or as part of suggested procedure in fol para;

(3) Another course of action which Graham might pursue wld be to indicate now to both parties he drafting his report and is planning return to subcontinent to present draft report to both parties for their comments. Such draft report might contain his specific proposals re quantum of troops. Such announcement now and indication that report wld be in draft only wld serve as sound ground for further negots with both parties either by Graham's returning to subcontinent or communicating with them from Geneva. Important thing is that indication is made of opportunity for further negots prior to SC debate;

(4) We suggest means for continuing negots wld be for Graham address communication to Pres SC before Mar 31 at same time he informing parties per para 2 stating he preparing report per SC members request, but there are certain matters arising out his draft report which he thinks it desirable to discuss further with two govts and trusts SC will see no objection his deferring submission report. Mar 31 deadline suggested since Pak Rep becomes Pres SC Apr 1 and receipt such note might be embarrassing;

(5) In order further negots may be made possible we believe that Graham wld be wise request Indian Govt as matter of utmost importance that he be released of obligation of confidence to GOI re any proposals or concessions which they may have made;

(6) If Graham decides return subcontinent we believe it desirable he have mil adviser and believe decision who mil adviser will be is for Graham to make in light his understanding views of parties. Possible advantage Devers returning is that, if GOP prepared to

make any concession on ratio or quantum troops, Devers might serve as face saving device; Devers presence might however antagonize GOI. Dept will render such assistance as possible re this matter on Graham's request.

(7) Re possible mtg of parties, we believe in view Zafrulla's statement his country's willingness consider mtg two PMs, Graham may wish seriously reassess feasibility desirability mtg of parties at some appropriate level;

(8) Our Brit colleagues have indicated to us apparent serious concern, which we do not share, that Graham may be inclined discuss partition proposals either with parties or in report to SC. They believe such discussions at this stage wld be diversionary from main pt negots namely quantum troops. We believe it wise pt out that discussion partition in report, if not agreeable both parties, wld probably cause violent debate in Council particularly between parties. We presume Graham will appreciate necessity that such agreement as indicated in report, is understood and accepted both parties prior to SC debate. Devers experience shld be sufficient underscore this pt. If there any uncertainty re area of agreement it will surely be brought out in SC debate with advantage only to Sov Union. Graham, we trust, is also mindful any recommendations which he may make and which may require SC res may provoke Sov veto. Hench recommendations might best be presented in manner least likely invite veto and most likely be carried out by parties if veto shld occur.

(9) We wish underscore Zafrulla's indication GOP places no significance to Mar 31 deadline for Graham's report. We convinced that SC debate on his report can be postponed pending further negots. Accordingly Graham shld not feel that obligation to report by Apr 1 outweighs desirability last minute negots.

(10) We prepared as indicated Deptel 937 to Karachi to give such parallel diplomatic support in Karachi and Delhi as he may believe wise. We are in constant communication with Brit colleagues on such possible courses of action.

(11) Dept prepared to consider assigning an officer familiar with this problem to Geneva to maintain contact with him if Graham so desires.

FYI You are instructed to communicate Graham's reactions to above and to reftels and you are to keep in close touch with your Brit colleague for possible future joint action. London pls communicate info this tel to FonOff.

ACHESON

357.AB/3–2852 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

TOP SECRET NEW DELHI, March 28, 1952—7 p. m.

3531. Ref Deptel 2004 March 25 (Karachi's 1076 March 25 to Dept).[2] It seems regrettable that Graham considered it necessary to leave Karachi without divulging enough of what he had discussed with GOI or of what was in his mind to be able convince Pak officials that he had in fact made considerable progress with GOI and that course he was pursuing had some merit in circumstances.

We not only regret his departure but his unwillingness to discuss anything outside his official terms of reference. We are inclined to believe he may not have realized the seriousness of Pak attitude which reftel reveals, and that he may be relying too heavily upon Pak willingness go along with procedure which we assume he has in mind for his report to SC.

Garner acting UK HC has informed Emb of calmer situation Karachi past two days and of Zafrullah suggestions that before reporting SC Graham return with mil advisors, and that he shld bring two PriMins together. Graham prompt return seems to us highly desirable, but we believe it should be done with full realization that chances seem against any definite agreement on quantum of forces or lines now being sought. Bajpai has expressed (only yesterday to Garner) view he does not think Pak will agree figure acceptable to GOI.

The course Emb wld suggest in circumstances is that (1) Graham should submit to SC from Geneva only very brief and gen interim report expressing belief that sufficient progress made to justify continuing discussions, which lack of time did not permit him to carry to conclusion, in particular to bring two PriMins together and (if necessary) asking for extension of time to carry on such further discussions as he finds essential; (2) Graham should return to sub-continent with mil advisors as soon as possible and carry discussions of quantum as far as he can; (3) he should reckon with possibility that demil talks will deadlock and should plan to bring PriMins together if this occurs and to seek their suggestions for way out, and should be prepared to entertain and explore any alternatives, particularly the one we know GOI has in mind. This seems to us best way to bring it into discussion, and cld result we believe in considerably easing demil problem.

---

[1] This telegram was repeated by the Department to Geneva on Mar. 28 as telegram 740 (priority) with the request that Dr. Graham be informed of its substance. (357.AB/3–2852)

[2] *Ante*, p. 1205.

I might add that Bajpai told me yesterday he was aware tension in Pak including tone press but did not consider situation serious. GOI had no evidence Paks preparing mil moves. GOI was continuing withdraw Ind troops from Kashmir which it expected complete on April 15. It seems to me that if GOI actually had info Pak planning mil moves it wld have taken immediate advantage situation to publicize them.

BOWLES

357.AB/3–2952 : Telegram

The Consul at Geneva (Oakley) to the Department of State [1]

CONFIDENTIAL PRIORITY GENEVA, March 29, 1952—9 p. m.

727. SARep. Oakley and Blaisdell called on Graham Friday evening and handed him copy Dept's 732, Mar 27, also Karachi's 1085, Mar 26 to Dept and Dept's 937, Mar 24 to Karachi. Substance Dept's 740, Mar 28 [2] given Graham by Blaisdell this afternoon.

Although under his terms of ref Graham shld report to the Security Council around the 31st March, he is sure Dept will appreciate that he wld not have left the subcontinent if he had seen the slightest possibility that agreement cld be reached at this time.

After careful consideration, and having fresh in his mind the well stated positions of the parties, he became convinced that only some new approach cld help solve the remaining difficulties.

Therefore he is now giving consideration to the possibilities of a new procedural approach which cld be developed within his frame of ref and based on the two res of UNCIP [3] and the existing res of the SC and which cld stabilize the presently very difficult situation pending a final period of negots leading up to arrangements for a plebiscite.

Graham needs a few days to develop and finally assess the value of the approach he is now considering. If he definitely adopts this new approach, which will be under the res, he believes that it may lead to a removal of the difficulties which until now have deadlocked the issues. Graham gave no idea of what the new approach was.

Pursuant instrs from FO UK permanent deleg called on Graham earlier this afternoon, but did not disclose nature of msg. Graham told Blaisdell he expected to reply to UK perm delegs same as above.

OAKLEY

---

[1] This telegram was repeated for information to London, New Delhi, Karachi, and New York.

[2] See footnote 1, *supra*.

[3] The two resolutions of the UN Commission for India and Pakistan were dated Aug. 13, 1948 (UN doc. S/995) and Jan. 5, 1949 (UN doc. S/1196).

357.AB/3-2952 : Telegram

The Secretary of State to the Consulate General at Geneva[1]

SECRET PRIORITY WASHINGTON, March 29, 1952—10 : 40 p. m.

742. Re Kashmir, re Geneva's tel 727, Mar 29.

1. While we hopeful, in view Graham's comments in reftel, that he preparing further negots, since he apparently did not indicate AmConsul his precise plans re date submission his report and his personally returning New York, we believe it of utmost importance that AmConsul convey Graham fol:

A. We earnestly hope Graham appreciates that concern UK and ourselves is that political situation GOP sufficiently serious and negot possibilities between parties sufficiently well indicated to justify our belief Graham might well devote himself now to further negot efforts with parties without regard report deadline and limitations of terms of ref.

B. We do not believe any report desirable at this time in absence full agreement parties. Even if interim report submitted we fear it might not be satisfactory basis SC debate, and might be embarrassment Pak Rep, who becomes SC Pres April 1. Accordingly, we reiterate our suggestion in para 4 Deptel 732, Mar 27.

C. Re possible Sov blast in SC re Graham's continuing his effort without report to and permission from SC, we far less concerned over Sov insistence on consideration report now or in next few weeks than over trouble they cld cause if report turned in and Graham made substantive proposals re continuing negots.

D. We urge, in view above, that Graham not return New York, but plan, instead, conduct further negots with parties.

E. We are extremely pleased at possibility his having new approach satisfying SC and UNCIP res. We reiterate our offers assistance.

2. We note UK Rep Geneva called on Graham prior AmConsul, but did not disclose nature his message. We believe it of great importance you and he keep in close touch re this matter so that representations to Graham are coordinated in substance. FYI UK CRO presently appears about day behind Dept in making decisions and sending instructions to field re this matter. Accordingly, it possible his comments to Graham may have conflicted with yours.

ACHESON

[1] This telegram was repeated to London (priority) and to Karachi, New Delhi, and New York.

Truman Library, President's Secretary's file

Memorandum by the Office of National Estimates, Central Intelligence Agency, to the Director of Central Intelligence (Smith)

SECRET [WASHINGTON,] 1 April 1952.

Subject: Pakistan and the Graham Mission

1. Dr. Frank Graham's decision to give up further mediation efforts regarding Kashmir and instead report back to the UN Security Council has produced a strong adverse reaction in Pakistan. On 25 March, US Ambassador Warren reported that he was "strongly inclined to believe" that ministerial emotions had gotten out of hand and that a decision for war against India was in the making, if it had not already been taken.[1] On 26 March, however, Warren saw Zafrullah again; the latter, who appeared more relaxed than in the previous few days, reiterated Pakistan's willingness to consider a meeting between Prime Minister Nazimudden and Indian Premier Nehru and expressed himself favorably toward Warren's suggestion that Graham be urged to return to the subcontinent to resume his labors.[2]

2. In NIE–41 [3] it was estimated that Pakistan would probably not deliberately resort to war against India, despite its strong sense of frustration over the Kashmir problem, at least "so long as the UN appears to GOP leaders to offer any hope of effective action." The failure of Graham's "one more try" at mediation has undoubtedly been a severe blow to any such hope of effective UN action, and it is extremely likely that the Pakistan Cabinet has in fact been engaged in a thorough review of its Kashmir strategy, in which the question of a resort to war may well have been raised. Nevertheless, it is improbable that a deliberate war policy is in the making. The strong deterrent factors cited in NIE–41 are still operative; although the Pakistanis might hope to secure some quick victories and then have the active fighting halted by UN action or the mutual exhaustion of ammunition supplies, they would have to fight against numerically superior forces and would risk, in any prolonged fighting, the almost certain loss of East Pakistan and major areas of the Punjab. There have been no signs of Pakistani war preparations.

3. The possibility remains that popular pressure might force the government into a war. The sudden termination of the Graham mission has aroused bitter and in some cases incendiary statements in the press and in parliament. There is at present no indication, however, that the government will be any less successful than in past crises in retaining its dominant position in Pakistani politics and in curbing the press. In fact, it is quite probable that the government has once again deliberately played up Pakistani feelings, as it has during previous periods of tension, in order to put pressure on the US and the UK.

SHERMAN KENT
Assistant Director

---

[1] Telegram 1076 from Karachi, Mar. 25, p. 1205.
[2] Telegram 1085 from Karachi, Mar. 26, p. 1207.
[3] For the text of this National Intelligence Estimate, "Probable Developments in the Kashmir Dispute to the End of 1951," dated Sept. 14, 1951, see *Foreign Relations*, 1951, vol. VI, Part 2, p. 1850.

357.AB/4–152 : Telegram

The Consul at Geneva (Oakley) to the Department of State [1]

CONFIDENTIAL PRIORITY GENEVA, April 1, 1952—3 p. m.

739. RepSA. Fol text was handed me today by Graham for transmission to Dept:

"The concern expressed Mar 29 is definitely appreciated by me as are the negotiating suggestions passed on earlier. These suggestions, as well as many other possibilities, have been thoroughly considered and I have become convinced of the necessity of a new procedure.

"If you have obtained assurances that the position of the parties has changed substantially since I left the subcontinent and that they are now prepared to take additional forward steps toward agreement of the quantum of forces and on the question of the plebiscite administrator I wld be quite ready to hold conversations with both parties at UN Hqtrs before the report is submitted. Before making this decision I wld need more definite indications than I now have of changes in the positions of the parties.

"Upon my arrival in NY and before officially submitting the report I will meet with reps of the govts of India and Pak to the UN conveying to them my suggestions for further negots. Shld the parties agree to these suggestions I wld be glad to pursue the negots with the two govts at a place to be agreed upon and in the ltr submitting the report mention cld be made that in agreement with the parties the UNRIP is continuing the negots within the lines set forth in the report and under the terms of ref given to him by SC.

"It seems to me most important during the next few days that both parties be impressed with the vital importance of a peaceful solution".

Although Jackson of Graham's staff had told me Sun night that there wld be a communication for Dept Mon, he called me late Mon morning advising that they are expecting a msg later in the day from sub-continent by way of Bern, and that they wished to see it before taking any decision. I asked Jackson whether the msg was from one of their people in the sub-continent, to which he replied no, it is from one of the parties.

After reading the above text, I asked Graham whether this meant that he had decided definitely against returning to the sub-continent for the time being. He replied that was correct. He gave me no indication of what the report referred to in his text wld contain, or what its nature was, beyond the fact that it was what they were now working on in Geneva. Apparently he does not expect to submit any communication of any kind to the SC as of Apr 1, not even an interim report or a communication to the effect that he is working on a report. Graham said further that he did not think it necessary for the Security Council to meet at this time on this sub, and that he wld be in Geneva a few days more.

[1] This telegram was repeated for information to New Delhi, London, Karachi, and New York.

713-752 O - 83 Vol XI - Pt. 2 - 11

In response to my inquiry, Graham said that he was handing to the UK perm rep the text of the same statement which is transmitted above.

OAKLEY

357.AB/4–152 : Telegram

The Secretary of State to the Consulate General at Geneva [1]

SECRET PRIORITY WASHINGTON, April 1, 1952—7 : 13 p. m.

746. Re Kashmir, Geneva's tel 739 Apr 1. AmConsul instructed convey to Graham fol expression US views re his note in reftel:

1. We appreciate careful consideration which Graham has given suggestions and views hitherto transmitted by us to him, and we accept his assessment necessity new procedure in dealing with parties and his decision return to New York with draft report.

2. We hope Graham will understand that views and suggestions presented to him were based on our genuine concern negots must be kept going at this stage between parties. Indications of seriousness of polit situation on sub-continent and expressions by FonMins of both countries of their willingness have Graham return to sub-continent for further negots were basis our believing we shld urge such course of action. We believe polit situation on sub-continent continues such as to maintain our concern and believe indication by parties of willingness negotiate may well be seized upon by Graham to conduct further negots when he returns New York.

3. Pursuant suggestion last para Graham's note to us, we are planning possible dipl appeal to parties to use opportunity in New York prior Graham's submission his report for further negots and possible concessions on two outstanding points.

Shld Graham care comment, we will welcome any suggestions he may have re timing, substance such representations.

ACHESON

[1] This telegram was repeated to Geneva and London (priority) and for information to New Delhi, Karachi, and New York.

357.AB/4–552 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

CONFIDENTIAL PRIORITY WASHINGTON, April 5, 1952—5 : 05 p. m.

1018. Re Kashmir. Dept and Brit Emb with UK FonOff approval are in agreement that the fol message shld be conveyed by you to GOP (the UK High Commissioner will receive similar instructions):

1. We were impressed by wisdom Zafrullah's suggestion that it was important to avoid further formal stage (SC debate) before negots by the parties with Dr. Graham were resumed and that a continuing process of negot shld be aimed at.

2. Accordingly, we conveyed this suggestion to Dr. Graham at Geneva and commended it to him.

[1] This telegram was repeated for information to London and New York.

3. We understand that Dr. Graham is returning to NY this weekend and we further understand that on arrival before submitting any report, he wishes to hold further discussions with the reps of the parties in NY.

4. We hope that the Govt of Pak, recognizing the great importance of continuing their efforts to reach agreement, will be ready to resume negots in this way, particularly in view of the advantage of avoiding public debate at this stage.

ACHESON

357.AB/4–552 : Telegram

The Secretary of State to the Embassy in India [1]

CONFIDENTIAL PRIORITY WASHINGTON, April 5, 1952—5 : 05 p. m.

2128. Re Kashmir. Dept and Brit Emb with UK FonOff approval are in agreement that the fol message shld be conveyed by you to GOI (the UK High Commissioner will receive similar instructions) :

1. We understand that Dr. Graham is returning to NY this weekend and we further understand that on arrival before submitting any report, he wishes to hold further discussions with the reps of the parties in NY.

2. We hope that the Govt of India, recognizing the great importance of continuing their efforts to reach agreement, will be ready to resume negots in this way, particularly in view of the advantage of avoiding public debate at this stage.

ACHESON

[1] This telegram was repeated for information to London and New York.

357.AB/4–752 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, April 7, 1952—10 p. m.

1154. Deptel 1018, April 5, 5 p. m. FonMin this afternoon said his first personal reaction to the Dept's suggestion is that it may be worthwhile if there is hope that Graham wld come tc grips with the problem. Evidence of such intent wld be inclusion of military advisors in the group conducting the conversations. Either Devers, Malone, Clay or Wedemeyer will be acceptable to Paks. Shld this foregoing thought be acceptable to Graham and the GOI, the FonMin is confident that the Pak Cab wld be willing to send a cab min to the SC—probably Mahmoud Hussein, Min for Kashmiri Affairs—supported by advisors who wld probably include the Fon Secy and the Secy of Defense.

The FonMin will not leave Pak at this time because he is needed to guide the Cab thinking and to act as a brake on precipitate action.

The Brit HC visited the FonMin half an hour before my own interview. Zafrulla's comments to him, while not so specific as his state-

[1] This telegram was repeated for information to London.

ments to me, followed the same gen line of a favorable reaction to the proposal from Whitehall in Wash.

WARREN

357.AB/4–852 : Telegram

The United States Representative at the United Nations (Austin) to the Department of State

SECRET PRIORITY NEW YORK, April 8, 1952—7 : 02 p. m.

684. Re Kashmir. Pursuant to instructions USUN called on Graham today at his request. He handed us copy of *aide-mémoire* (text in immediately following telegram)[1] he gave Indian and Pakistani reps this morning. He said they both received it without outcry and said they would send it to their govts for early reaction.

Graham said he had come to conclusion soon after return to subcontinent that neither India nor Pakistan was willing to give way sufficiently on troop quantum to make compromise on demilitarization possible. At same time, Indian decision to withdraw a division means that majority of forces on both sides will be withdrawn. This he construes as bringing demilitarization process to final phase, at which point it merges with phase of establishing prerequisites for holding of plebiscite. Purpose of associating plebiscite administrator designate with UNRep in next round of negotiations is to link questions of disarming, disbanding and location of remaining forces with question of withdrawal.

Graham said this idea came from his principal secy, Marin. Marin explained proposal further, pointing out that UNRep in final stage of demilitarization would be encroaching on PlebAd's responsibility unless some form of association and joint consultation were established. PlebAd's functions now would be simply advisory, not executive. He thought this step would be very good for Pakistan as indication to people of real progress towards plebiscite. He thought proposal also advantageous to India in that if it should develop that plebiscite could not in fact be held, i.e. if agreement on demilitarization is still not forthcoming PlebAd was only authoritative person to make this finding.

Graham said task they had set themselves in Geneva was to find device which would keep negotiations moving, bring in new element, and avoid SC debate. He thought they had succeeded. He believes parties will both accept his proposal. He suggested that if proposal

---

[1] Telegram 685 from New York, Apr. 8, not printed, contained the text of the *aide-mémoire* Graham gave to the representatives of India and Pakistan, summarizing his third report to the Security Council. For the text of this report, dated Apr. 22, 1952, see UN doc. S/2611.

commended itself to US it would be helpful if Dept should decide to instruct Bowles and Warren to commend proposal to parties.

Graham and his staff did not seem confident that negotiations even with this new approach would succeed. Jackson said if this became apparent after month or two it might be helpful if indication could be given that Graham's terms of reference were broad enough to permit him to explore alternative. We said we understood Graham was heir to Dixon's powers and wondered why question arose. Jackson referred to Dept's March 29 message to Graham in Geneva (Deptel 742) [2] which suggested Graham might proceed with further negotiations without regard to deadline on report and limitations of terms of reference. Marin said there was also some feeling in secretariat that March 30, 1951 res limited Graham strictly to 2 UNCIP res and did not include Dixon's terms of reference. We said there was apparently confusion on this point and promised to raise it with Dept.

Regardless of answer on this point, Graham said he had no intention of raising alternative solution at present. Any such suggestion, he said, would send Pakistanis straight through roof.

We told Graham about our representations on sub-continent, on importance of continuing negotiations, and about Zafrullah's reply (Deptels 1018 to Karachi [3] and 2128 to New Delhi;[4] Karachi's 1154).[5] He said he was pleased, and encouraged by Zafrullah's response.

In departing we raised question of Engert and story he gave *Times* correspondent. Graham knew nothing about it. Marin said Engert had told him he had not spoken to James and that general line of James' story was being talked around Karachi by Pakistan officials who complained to them of US favoritism to India on economic assistance, etc. Marin said he would ask Engert about story again and if he had spoken in this way to James would recommend to Graham that he drop him from staff. Graham said he had told people in Karachi he wouldn't even listen to such stories, that he was UNRep and had nothing to do with US relations to either India or Pakistan.

AUSTIN

[2] Dated Mar. 29, p. 1213.
[3] Dated Apr. 5, p. 1216.
[4] Dated Apr. 5, p. 1217.
[5] *Supra.*

357.AB/4–952 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, April 9, 1952—11 a. m.

1165. Ref Embtel 1154 Apr 7, 10 p. m. FonMin yesterday afternoon called separately UK Acting HICOM and myself to say he had now

[1] This telegram was repeated for information to London.

studied carefully language of suggestion left with him day before by UK which was substantially the same as oral statement I made to him later that afternoon (ref Deptel 1017 [*1018*] Apr 5). He took exception to the language in para one (UK "A") and said that it is almost exact opposite of what he has advocated. He had favored Graham's contd presence in the subcontinent provided he "came to grips with the problem" and had suggested desirability of his return from Geneva provided he wld bring with him a mil advisor and present specific proposals on which SC might take a decision.

Zafrulla then repeated to me substance of his conversations with Graham in Karachi to effect that since no specific proposals had been submitted to Paks, it was assumed none had been presented to GOI. Paks had agreed to Graham's 12 points and in their last conv at the Gov Gen's luncheon, with Mohammad Ali present, they deferred to Graham's judgment on desirability of GOI–Pak mtg at ministerial level.

When no action was forthcoming, they assumed Graham must acknowledge failure, so Gov Gen and the PriMin had called confs of provincial governors and chief mins to consider what action Pak shld take to protect its interest and satisfy its public opinion. These confs are now in session in Karachi. Zafrulla said shld he appear before them and advocate contd negots without clear prospect of decision, his policy of cooperation with UN wld certainly be repudiated.

In his conv with UK acting High Comm, Zafrulla made practically same statements and requested clarification of para A of the UK's *démarche*.

The sharp difference in the FonMin's attitude on Apr 7 (ref my 1154 Apr 7, 10 p.m.) and his demand for clarification of language yesterday reflects in my opinion result of convs he must have had earlier yesterday afternoon with some of his colleagues. He told me he had mentioned to the PriMin fact that UK and US had presented a suggestion for resumption of convs in NY prior to submission of Graham's report and that PriMin had been so busy with the Constituent Assembly, the governors conf and the provincial PriMin's conf that he had been unable to fix a date for a more considered discussion of the proposal. I have a feeling that he may have discussed question also with Mohammad Ali whose attitude towards contd negot has been sharply negative.

When I asked Zafrulla if I might review again what he had said to me yesterday, he confirmed the accuracy of my memory but reiterated that before he will go before the Cab, language of the Anglo-Amer approach must be sharply altered. Naturally he offered no suggestions aside from a review of his convs with Graham. From them I inferred he is trying to maneuver Brit and ourselves into an intimation of support for a move to force consideration of Graham's last four points to which Paks have agreed but which GOI has not accepted.

Fact that 24 hours elapse between my conv with him Apr 7, for which I had prepared him by an earlier conv with the FonSecy who talked with him before I went to see him, and our conv of yesterday afternoon in which he revealed a radical change of attitude, indicates to me he has been advised either by PriMin or by Mohammad Ali that the Cab may repudiate his suggestion for further discussion with Graham and that his threat to resign may possibly receive some consideration if Paks in their frustration have to find a scapegoat.

If Dept and UK can consider a rephrasing of para one of the msg to put it more in line with Zafrulla's suggestion that Graham continue his convs by presenting specific proposals to both countries which might be accepted or rejected, and thereby provide the SC with a basis for decision, I believe his present sense of distress at what he considers a misquotation may be overcome.

WARREN

357.AB/4–952: Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, April 9, 1952—9 p. m.

3696. In line Deptel 2128, Apr 5 discussed with Bajpai possibility Graham's desire hold further meetings on military quantum question with GOI and GOP reps in New York. Bajpai stated GOI rep already received request from Graham for interview and that of course he prepared cooperate every way. However, Bajpai went on state his view it impossible for any progress be made at such distance from subcontinent and through relatively low level reps of the two govts. He stated again in his opinion there only one practical approach to problem and that was discuss here on subcontinent if need be under broader terms ref question of partition of Kashmir based on either three zonal plebiscites or on plebiscites limited to valley.

Bajpai again stated his opinion this approach wld make all aspects of question far easier to solve and that it his opinion Graham agreed with this.

Bajpai further stated wld have much preferred Graham stay on in subcontinent to continue discussions along these lines on personal basis if impossible for him stretch his terms ref enable him cover this facet officially. He also repeated that only reason GOI not written strong memo to Graham recommending this approach was their belief that if Pak Govt felt this proposal came from India, opportunity for success wld be lessened. He said his conf view proposal shld come from some other source and that for strategic reasons GOI's reaction in early stages might be rather cool but that both I and Graham had his assurances of cooperation on this line of attack.

I asked Bajpai exactly how hard Graham had pushed question on quantum of troops and Bajpai stated Graham did not apply any particular pressure. His opinion reason for this lay in fact Graham did not want risk danger of deadlock this issue which might jeopardize opportunity agreement along broader lines, i.e., partition.

GOI in its conversations with me has been consistent this whole situation since Bajpai opened it up day before I left for Wash in January.

In my discussions with Graham I found him understanding of this and optimistic of what might be accomplished if he cld return here with broader terms ref. GOI certainly agree Graham's return under broader terms and I assume from recent despatches Pak wld also agree. If this is case, it seems to us most important that this approach shld be explored and extremely unfortunate that Graham was not in position discuss it on recent visit and proposal by Graham for personal meeting of the two PriMins wld undoubtedly develop in due course but this shld not be part prior agreement since forced meeting at wrong time wld be fruitless.

Bajpai told me had been very concerned about statement reputed made by Nazimuddin to effect only solution might be war but that Zafrullah had specifically and categorically denied Nazimuddin had made this statement and GOI accepted denial in good faith.

Bajpai also went on say GOI's promise to Graham to withdraw troops from valley and further from Pak frontier not affected by recent reports from Pak and they carrying out troop movements on schedule.

Narrowing complication in Kashmir situation from GOI point of view is belligerently independent attitude of Sheikh Abdullah who apparently wants Kashmir to be associated with Ind not as a state under the Ind constitution but as a sort of semi-independent unit. Latest incident was Abdullah's vigorous statement that Ind constitution's requirement of reasonable payment for property taken by govt could not be applied to Kashmir land reform. GOI refers to this only occasionally and in vague terms but it worries them.

BOWLES

357.AB/4–952 : Telegram

The Secretary of State to the United States Mission at the United Nations

SECRET WASHINGTON, April 9, 1952—7 : 06 p. m.

376. 1. You are requested to convey to Graham our heartiest congratulations on proposals which he has made to parties. We are genuinely impressed with them as extremely able maneuver for keep-

ing negotiations going and indicating some progress being made, thanks to his efforts.

2. You may indicate to Graham we contemplating sending instructions to field re his proposals, in coordination with UK.

3. Re his terms of ref and concern thereon, Dept supports USUN's statement to him regarding his powers. Through inadvertance Deptel 742 [1] to Geneva did not qualify ref to Graham's terms of ref to read "and his concern re limitation on terms of ref". We have assumed that Mar 30, 1951 res merely directed Graham as a matter of priority to arrange demilitarization of area but did not preclude, in event of failure to fulfill assignment, his exercising Dixon's functions and powers to which he succeeded. We share Graham's view re unwisdom his raising alternative solution Kashmir problem at present.

4. Dept conferred with British Emb officer today concerning joint representation which shld be made to two parties. We assume USUN will be advised by UK Del concerning UK Del's and UK FonOff's reaction to proposals and nature representation to two parties which UK may make.

ACHESON

[1] Dated Mar. 29, p. 1213.

357.AB/4–952 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

SECRET PRIORITY WASHINGTON, April 9, 1952—7 : 07 p. m.

1029. Re Kashmir. Re Deptel 1028 [2] giving text Graham *aide-mémoire:*

1. USUN, as result of talk with Graham Apr 8, received fol info:

(*a*) Graham said both parties received *aide-mémoire* without outcry and said they wld send it to their govts for early action.

(*b*) Graham said he had come to conclusion soon after return subcontinent that neither India nor Pakistan was willing give way sufficiently on troop quantum to make compromise on demilitarization possible. At same time, Indian decision withdraw a division means that majority forces on both sides will be withdrawn. This he construes as bringing demilitarization process to final phase, at which point it merges with phase of establishing prerequisites for holding plebiscite. Purpose associating plebiscite administrator designate with UNRep in next round negots is link questions of disarming, disbanding, and location of remaining forces with question of withdrawal.

(*c*) Graham indicated his belief that UNRep in final stage of demilitarization wld be encroaching on PlebAd's responsibility unless some form of association and joint consultation were established. He thought this step wld be very good for Pak as indication to people of real progress toward Pleb. He thought proposal also advantageous

[1] This telegram was repeated to New Delhi (priority) and for information to London and New York.

[2] The same as telegram 685 from New York, Apr. 8, not printed; see footnote 1, p. 1218.

to India in that if it should develop that plebiscite cld not in fact be held, i.e., if agreement on demilitarization is still not forthcoming, PlebAd was only authoritative person to make this finding.

(*d*) Graham said task they had set themselves in Geneva was to find device which wld keep negots moving, bring in new element, and avoid SC debate. He thought they had succeeded. He believes both parties will accept his proposal.

(*e*) Graham said he had no intention of raising alternative solution of problem at present; any such suggestion wld send Pakistanis straight through roof.

(*f*) USUN told Graham about our representations on subcon on importance of continuing negots and about Zafrullah's reply (Deptel 1018 to Karachi and 2128 to New Delhi and Karachi's 1154). Graham said he was pleased and encouraged by Zafrullah's response.

2. Dept heartily endorses Graham proposals to parties and requests you strongly urge in your most persuasive manner acceptance proposals as basis for further negots. Such representation shld be coordinated with UK colleagues. However if UKHC has not received instructions from London by end 48 hours after receipt this tel you shld proceed communicate our views to GOI and GOP. If questioned by them in meantime you may indicate US support for proposal and urge acceptance. Dept and USUN keeping in close touch with Brit colleagues.

London pls keep in close touch FonOff re UK instructions to Karachi and New Delhi.

ACHESON

357.AB/4–1152 : Telegram

The United States Representative at the United Nations (Austin) to the Department of State

SECRET NEW YORK, April 11, 1952—4:37 p. m.

696. Re Kashmir. Pursuant to Dept's instructions contained Deptel 376, Apr 9, USUN called on Graham, expressing Dept's thinking and congratulations on his most recent proposals.

1. Graham and Jackson had just received Indian *aide-mémoire* in reply to his (mytel 685, Apr 8).[1] Indian reply stated (*a*) GOI willingness to negotiate here and later in such places as might be agreed on, preferably Geneva or the subcontinent; (*b*) while not opposing association of PlebAd designate with Graham, GOI would object to PlebAd engaging in negotiations which might prejudice his impartiality at later stage when acting in capacity of PlebAd; (*c*) GOI confirmed its statement to Graham it would withdraw troops from Kashmir and Pak frontier.

Graham and Jackson interpreted this reply as on the whole encouraging, because (*a*) is not conditioned by (*b*) but an absolute statement re willingness to continue negotiations.

---

[1] See footnote 1, p. 1218.

Graham is about to draft clarification re proposed role of PlebAd designate. He stresses language of original *aide-mémoire* that PlebAd will be associated with Graham in studies and consideration of problem. He does not intend he should be negotiator. However, Jackson points out distinction between negotiating with two govts which is solely role of Graham and informal discussions in which Nimitz would play a role. He and Graham agree that given Nimitz's prestige he is bound to have discussions of importance but that formal negotiations would be channeled through Graham. Thus Graham's clarification to GOI would be that he does not intend Nimitz as his negotiator. Jackson added that Nehru is on record as agreeing to association of this sort of PlebAd and UN commission before stage of plebiscite is reached.

2. We expressed on behalf of US and UK (at request of Fowler) our hope that proposed date of Graham report, Apr 15, does not mean that he would act until firm replies are received from both parties and that he would hold question open and confidential so long as concurrence on his new suggestion is possible. We added that if one or both parties offer further serious difficulties, diplomatic assistance might be possible and UK had suggested its desirability in such a situation. Necessarily such assistance would depend upon keeping negotiations confidential. Graham said that his statement he "expected to submit a report on Apr 15" is merely the expression of a hope and stated that he regarded the date as purely tentative and would confer with us further before taking any action of a public nature and would let us know the Pak reaction to his *aide-mémoire*.

We covered current developments, including Nimitz's availability as indicated by Dept's recent soundings and Dept's recent *démarche* contained Deptel 1029 [2] to Karachi, repeated Delhi. He was interested in Dept's view re his terms of reference as stated in third para, Deptel 376, of Apr 9, but was anxious to keep off this entire subject so as not to be diverted or have parties diverted from current tactical problem.

3. In general, Graham seemed moderately optimistic and relaxed as far as timetable is concerned and emphasized desirability of keeping in close touch with us.

AUSTIN

[2] *Supra.*

357.AB/4–1152 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET PRIORITY NEW DELHI, April 11, 1952—9 p. m.

3732. Bajpai showed me copy of *aide-mémoire* given to GOI SC rep by Graham for transmission to his govt. This was identical to copy

[1] This telegram was repeated by the Department as telegram 386 to New York (priority), 164 to Karachi, and 135 to London.

which we had already recd and which I was prepared to discuss with GOI. Bajpai showed me their reply, which he said had been cabled to NY afternoon of Apr 10, in which the Ind Govt had expressed its desire for continued negots, but expressed its belief that association of Pleb Administrator with Graham mission at this time is premature.

I told Bajpai I was deeply disappointed GOI had taken this position and while I had no knowledge, official or otherwise, of what Graham had in mind, it seemed to me quite likely his proposal to bring Pleb Administrator into assoc with him at this time was designed solely to enable him open in indirect manner line of negot which GOI itself had proposed i.e., partition with Pleb confined to valley or 3-zone Pleb.

I emphasized this was pure guesswork, but if my estimate was correct it was unfortunate GOI had seemed close its doors on discussion of very approach they had advocated. Bajpai hesitated and said he thought it was necessary for him to talk very frankly with me and in confidence. He then stated decision was made not by him, but by Cabinet comite on fon affairs and that at mtg he had stated he felt it possible Graham had very point in mind which I had suggested. However, two or three members of comite argued strongly that if Graham had actually had this in mind he wld have given GOI directly or indirectly some inkling of his objectives and fact that there had been no explanation indicated proposal for assoc of Pleb Administrator at this time was for some other purpose. I suggested to Bajpai I might inquire as to whether or not our estimate is correct and if it is correct, that I might ask to have Graham outline his reasoning in separate and confidential msg to GOI. Bajpai stated he wld welcome this and while he cld not guarantee Cabinet comite wld reverse its position, he felt there is good chance of this provided Graham's explanation was clear.

He emphasized GOI had at least as much desire as Graham himself to keep their interest in partition possibility confidential since publicity might destroy whatever chance there might exist to secure Pak agrmt. Bajpai stated if GOI had any other view that wld have made major public point of their willingness to agree to this approach and wld have sent official proposal in memo form to Graham instead of opening question discreetly, verbally and confidentially.

Bajpai went on to say that if we are correct in assuming Graham's desire to include Pleb Administrator is for purpose of allowing latter to discuss partition or zonal Plebs in hope of getting agrmt on this approach, which in turn wld enable Graham himself to approach question of quantum mil forces on somewhat different basis, there was no reason why he shld not say so in conf to GOI rep in SC. Bajpai stated chances of Inds accepting Graham's suggestion under this condition wld be improved if Pleb Administrator was assigned as advisor

and was not at that time officially granted powers to move ahead with Pleb itself.

We note in London Embtel 4585, Apr 10, Dept rptd Delhi 102,[2] the possibility Adm Nimitz may not be available. Although it will be difficult to find another man of his great integrity and understanding, we do feel that if there is a new man, he shld not be Amer. As US citizen Graham has already given us special responsibility which wld be intensified needlessly by selection of another Amer to take Nimitz place.

We wholly agree with position of Brit in their suggestion not to bring Australs into this sitn. We repeat that our best hope for settlement and we believe it is reasonably good hope is in getting Graham back to subcontinent with full power to approach Kashmir problem in broadest possible way and particularly to negotiate on basis of zonal Pleb or partition and Pleb confined to valley. GOI is convinced that if this question is to be settled it will be settled only in this manner.

BOWLES

[2] Not printed.

357.AB/4–1252 : Telegram

The Secretary of State to the Embassy in Pakistan[1]

SECRET PRIORITY WASHINGTON, April 12, 1952—12:05 a. m.

1048. Re Kashmir.

1. FYI Dept understands GOP reply April 11, to Graham re his proposals not favorable. End FYI.

2. On assumption Zafrulla's remarks to you, when you presented our views in Deptel 1029 of April 9, were in similar vein, we request you, if you deem timing and situation appropriate, indicate our concern over GOP position.

3. We suggest your comments might be following:

A. We know of no more constructive step which can be taken at this time.

B. We believe continuance Graham's negots not inimical to GOP interests.

C. Acceptance proposals wld enable GOP maintain strong position established as result past record firm coop with SC.

D. Failure Graham negots due parties' nonacceptance proposals might well jeopardize two UNCIP res.

E. Bringing PlebAd into negots now wld constitute step forward.

F. In view GOP's known desire for peaceful settlement, we hope GOP will appreciate advantages of accepting Graham's proposals.

4. You are requested consult with UKHC prior making this approach. London please keep in touch with FonOff.

ACHESON

[1] This telegram was repeated to Karachi (priority) and for information to London (priority) and New York.

357.AB/4–1252 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State[1]

SECRET KARACHI, April 12, 1952—5 p. m.

1178. Deptel 1029 Apr 9, 7 p. m. In the absence of the PriMin and FonMin from Karachi, I called on FonSecy this a.m. to discuss the substance reftel. He permitted me to read the Pak instr sent to Bokhari April 10 stating that the GOP is not prepared to take a decision on Graham's *aide-mémoire* but preferred to await the presentation of his report to the SC on April 15. At that time the GOP will examine the report with sympathetic consideration and open mind in the hope it may contain constructive suggestions that will justify contd negots.

Commenting on the instr to the Pak UN member, the FonSecy said the decision was reached at a cab mtg. The attitude of the cab is to accept Nimitz provided he is named administrator and not admin designate. To accept Graham's suggestion of his participation in further conversations without the authority of designation wld, in the Pak opinion, subj him to possible attack by India and subsequent rejection as administrator. Shld Graham offer to continue negot on his four outstanding proposals with the participation of mil advisors, the Paks will be prepared to participate even without the presence of Nimitz. In that event, they will not send a cab min as Zafrulla intimated to me earlier in the week, but will probably send the FonSecy accompanied either by the Commdr in Chief or the Sec of Defense. In the event that Graham is unwilling to meet these two Pak reservations, they then intend to withdraw from further participation and to inform their people of Graham's failure and the SC's inability to bring about a solution.

The FonSecy said that during two days of emotional discussion on Kashmir at the governors conf this week, the cab was urged strongly to take the Kashmiri case to the people. The suggestion was rejected by the PriMin and his colleagues on the ground that the time is not opportune while the Graham report is under preparation. However, shld the report be considered to be a failure, then the cab must be prepared to inform the Muslim League and the country how things stand.

Fol my conv with the FonSecy, a 3-way conv was immed set up in the Fon Office with Mohammad Ali who has been designated by the cab to discuss Kashmiri matters with my UK colleague and myself during the absence of the PriMin and the FonMin. Mohammad Ali confirmed to me that the attitude of his govt is to wait upon the presentation of Graham's report and then to agree to further negots if the Paks find anything constructive in it, and if not, to "faceup to the issue".

WARREN

[1] This telegram was repeated by the Department to London (priority).

357.AB/4–1252 : Telegram

The United States Representative at the United Nations (Austin) to the Department of State

SECRET NIACT NEW YORK, April 12, 1952—5:45 p. m.

700. Re Kashmir. Pursuant to Dept's telephone instructions, USUN called on Graham this afternoon to convey substance of Deptel 386 repeating New Delhi 3732.[1] Marin and Jackson of Graham's staff were present. Graham said he did not understand reason for different interpretations put upon Indian reply to his *aide-mémoire* by himself and Bowles. He read first para of Indian reply which indicated GOI acceptance of continued negotiations. Graham interprets this as acceptance also of condition implicit in his own *aide-mémoire*—that PlebAd would be associated with him in further negotiations.

Graham said he was giving Indian Rep this afternoon *aide-mémoire* in response to Indian request for clarification of PlebAd's role. After some discussion with staff, he gave us copy. (Text in immediately fol tel).[2] He suggested Dept might wish send text to New Delhi. He said he would not wish to comment beyond this on Bowles' conversation with Bajpai, saying "I think we had better not take any cognizance of that".

Despite this diplomatic reticence, it was apparent Graham and staff were much concerned about conversation. Marin said Karachi would have heard of it already, since everything that happened in one Fon-Off was somehow immediately transmitted to other. Graham said there should be no talk of partition now as it would only make possible agreement on demilitarization and plebiscite more difficult to reach. He noted Bowles' statement that his suggestion to Bajpai of Graham's intention was "guess-work" and implied he hoped Bajpai would be guided by this word.

Marin said association of PlebAd might in fact result in his finding at some future time that conditions for plebiscite did not exist. He suggested possibility that after month or 6 weeks of negotiation in New York Graham might ask PlebAd to visit Kashmir and report to him on steps needed to complete preparations for plebiscite. Graham cut him off, saying it was not useful to talk about future contingencies now.

We expressed Dept's concern about clarifying memorandum, and pointed out danger Indians might delay resumption of negotiations by requesting further clarifications or obstruct possible future progress by quibbling over details of new *aide-mémoire*. Graham said they were aware of these dangers and had tried to keep memoire simple so as to avoid pitfalls. We questioned first sentence in fourth para of

[1] Dated Apr. 11, p. 1225.
[2] Telegram 701 from New York, Apr. 12, not printed (357.AB/4–1252).

new *aide-mémoire* saying that PlebAd "should not take part in negotiations". Graham said this was precisely what he meant: He was the negotiator and simply wanted PlebAd's advice when necessary at this stage.

In response to question, Graham said he had not given Pak *aide-mémoire* to Indians. He hopes for more favorable Pak reply as result of UK–US approaches in Karachi. If more favorable response not forthcoming on Monday he will probably delay submission of report. His proposal on PlebAd is contained in report, so he wants acceptance by parties, before submitting it.

His general approach at moment is to try to avoid definite "no" from either party on proposal, interpret their replies in most favorable way, and thus move into further negotiations without SC wrangle. He thinks it will be easier to associate Nimitz with next round of negotiations in New York than on subcontinent. In connection with this, Bajpai told Marin he would come to New York if negotiations continued.

AUSTIN

357.AB/4–1352 : Telegram

The Secretary of State to the United States Mission at the United Nations

SECRET PRIORITY WASHINGTON, April 13, 1952—5:18 p. m.

388. Re Kashmir.

1. After consultation with UKDel you shld convey to Graham substance Karachi's 1178 of April 12.

2. Our comments on reftel, which you may pass on to Graham, are as follows:

A. Re Graham's report GOP seems assume no mention will be made of intended association of PlebAd with further negots, and that there will be no indication whether Graham intends pursue further efforts obtain agreement parties to quantum of troops, etc. We suspect GOP believes report will merely narrate lack of progress in last negots on subcontinent, but will include general indication by Graham he believes troop withdrawals by both sides create atmosphere conducive to further negots of no indicated nature.

B. If this estimate GOP guess on report correct, we hazard suggestion GOP, fearing Graham has no intention press GOI further on any points his program, will be prepared reject, if necessary in SC, any further negots involving UNRIP. Such rejection, whether or not followed by GOP demand (which wld probably fail obtain SC support) for SC action recommending parties carry out plebiscite per UNCIP res forthwith, wld probably serve publicly to justify GOP "taking matters into their own hands".

C. It seems to us Pak FonSecy either not sure of his facts re PlebAd, or is using his ostensibly distorted impressions re PlebAd to attempt obtain from Graham, via us, clarification Nimitz precise role in future

negots. In view of fact that Nimitz has already been approved for PlebAd by both GOI and GOP, has been designated PlebAd by UNSYG per UNCIP res, and fact that only GOI may arrange for installation PlebAd, FonSecy's quibbling over whether Nimitz to be named PlebAd or PlebAd-Designate strengthens our belief clarification to GOP re Nimitz role desirable. We assume such clarification, if given, wld be identical with that given GOI.

D. FonSecy's comments lead us to believe that US–UK *démarche* in Karachi not likely inspire new, more favorable *aide-mémoire* to Graham from GOP. Rather, GOP seems to intend to make no new move vis-à-vis Graham's proposals until report made public.

E. We suggest, therefore, that initiative by Graham vis-à-vis PakDel April 14 might be beneficial, and, while he is obviously best judge how this shld be done, we are inclined to volunteer view that PakDel be advised:

(1) Graham planning postpone report few days in order give parties adequate time for favorable consideration his proposals.
(2) He wishes to present to GOP clarification of PlebAd's role.
(3) Views he has presented re necessity bringing PlebAd into picture will be part of his report.

F. We are becoming increasingly concerned that unless Graham's report carefully details difficulties with either or both parties re quantum of troops (see USUN's 684, April 8), and installation of PlebAd, report will be severely attacked by Paks as vague, and pro-GOI in view favorable mention of GOI withdrawing division of troops. GOP and we tend to view this withdrawal more as matter of strategy than good-will. Such attack on report and Graham by GOP might well make possible future negots by Graham extremely difficult.

ACHESON

357.AB/4–1452: Telegram

The United States Representative at the United Nations (Austin) to the Department of State

SECRET NEW YORK, April 14, 1952—6:40 p. m.

705. Re Kashmir. Re Deptel 388,[1] UKDel has received report from UKHC Karachi similar to that contained in Karachi's 1178 and instructions from FonOff to talk to Graham along lines similar to those suggested in Deptel 388. UKDel also had report on Bowles–Bajpai conversation (New Delhi 3732).[2] Since Jebb had date to see Graham at noon today, USUN felt it unnecessary for us to convey similar information and views separately to Graham.

. . . . . .

AUSTIN

---

[1] *Supra.*
[2] Dated Apr. 11, p. 1225.

357.AB/4–1152 : Telegram

The Secretary of State to the Embassy in India

SECRET PRIORITY WASHINGTON, April 15, 1952—8 : 18 p. m.

2226. FYI Graham attempting persuade both parties continue negots under provisions set forth his *aide-mémoire* Apr 8. He has interpreted Indian reply not as a rejection as implied New Delhi's 3732 Apr 11 but as expression of willingness continue negots and indication that GOI while not opposing association PlebAd designate with Graham wld object to PlebAd engaging in negots which might prejudice his impartiality at later stage when acting in capacity of PlebAd. Graham has informed GOI Rep in *aide-mémoire* Apr 12 he has "read with satisfaction acceptance further negots by GOI" and that he "shares pt view GOI that PlebAd designate shld not take part in negots".

Substance New Delhi's 3732 Apr 11 communicated to Graham including Amb's speculation re possibility of partition with plebiscite confined to Vale or three zone plebiscite. Graham replied he wld not wish to comment on Ambs conversation with Bajpai but was clearly disturbed by info. He emphasized to USUN that there shld be no talk of partition now as it wld only make possible agreement on demil and plebiscite more difficult reach. Dept and UK fully support Graham's views this regard. In view delicate nature current negots Dept requests Emb endeavor avoid in conversations with govt officials initiating any substantive discussion Kashmir case, unless instructed by Dept. If issue is raised suggest you confine remarks to stating willingness transmit GOI views to Dept.

A[illegible]

357.AB/4–1852

The Secretary of Defense (Lovett) to the Secretary of State

SECRET WASHINGTON, 18 April 1952.

DEAR MR. SECRETARY: Reference is made to the letter of February 12, 1952, addressed to the Secretary of Defense by Assistant Secretary John D. Hickerson on behalf of the Secretary of State, concerning the assignment of additional personnel to the United States Military Observer Group in Kashmir (USMOK).

Subsequent to your letter of February 12, 1952, the Department of State informed the Department of Defense that the United Nations had modified its request for additional observers in Kashmir by recommending a United States complement of twenty-two in lieu of thirty observers. In addition, the Department of State advised that Army officers were preferred in restoring the strength of the USMOK.

Although Army officers may be more suited, by training and experience, to the particular requirements of the situation in Kashmir

than Navy or Air Force personnel, budgetary limitations prevent the Army from providing all the observers.

The observer group in Kashmir currently consists of United States observers, by Service, as follows: twelve Army, two Navy, and three Air Force. There are also two Air Force officers who serve as pilots for the assigned aircraft, but these officers are not included in the observer strength. As changes or increases in the USMOK occur, the Department of Defense will assign officers from the three Services on an approximate ratio, four Army, three Navy and three Air Force.

Since the Department of the Army now has twelve observers on duty with USMOK, the Secretaries of the Navy and Air Force are being requested to furnish additional observers as soon as possible to provide a complement of five observers each, meeting the Department of State request for a total of twenty-two.

Sincerely yours,

For the Secretary of Defense:
MARSHALL S. CARTER
Brigadier General, USA
Director, Executive Ofc

690D.91/4-2852

The Ambassador in India (Bowles) to the Assistant Secretary of State for United Nations Affairs (Hickerson)[1]

SECRET
OFFICIAL–INFORMAL

NEW DELHI, April 28, 1952.

DEAR JOHN: I certainly do wish that I could sit down with you and really talk out the Kashmir situation in detail. Cablegrams on a complicated subject such as this are certainly an unsatisfactory means of communication.

I am really quite in the dark as to the Department's attitudes and reasoning. Probably there is good reason for the positions which have been taken but I do wish that I knew exactly what it was.

In all frankness as it appears to stand as I write this, Graham's last two trips to the subcontinent were doomed to failure in advance, and there seems to be a possibility that he will soon be out here again with a little better hope for success.

His mission early in the winter came as you know right at the time of the Indian elections. Kashmir was a hot issue and Nehru was under strong fire from the Hindu right wing which charged him with being about to hand Kashmir over to Pakistan. Under the circumstances Indian government officials including Nehru acted just about

---

[1] An attached chit by Sandifer to Hickerson, dated May 2, reads as follows:
"I think you will want to see this before it goes to UNP.
"It should have a very substantial reply, as it reflects an astonishing gap between Bowles and the Department."

the way any American politician would act if he were accused next October of planning to turn Formosa over to Mao Tse-tung.

Bajpai came to me early in December, told me that it was impossible for the Indian government to make any moves during the elections, and urged me to tell my government not to be discouraged at Graham's failure. Bajpai said that if Graham came back, it was his opinion that he had a very fair chance for settling the dispute. I told Bajpai that I knew Graham intimately and I was certainly not prepared to see him come back again and simply break his heart with no real chance for success. I further told him that if he had a tangible basis for saying Graham's mission might be successful, he should tell me.

For several weeks Bajpai and Nehru gave me very little except generalities, but I continued to tell them that under the circumstances I could not personally recommend Graham's return. As a result, the night before I left for the States early in January, Bajpai called at my house to say that the basis for his hope for a settlement lay in the belief that both Pakistan and India should be able to get together on a partition which would give Azad Kashmir to Pakistan and Jammu to India outright, with the plebiscite confined to the valley.

He stated that in the first place this was the right solution because it was the only way that the winner of the overall plebiscite could avoid the presence of a bitter unrelenting minority. He said that if India won an overall plebiscite, they knew very well that the Azad Kashmiri would remain their unrelenting enemies, and that this would mean more refugee problems and increased bitterness and suffering. He stated that if Pakistan won, they would be faced with the same situation in Jammu. Moreover, Bajpai said that by confining the plebiscite to the valley, the question of troop numbers would certainly be eased.

I stopped over in London for a few hours and reported this to our Embassy there and to the British with whom I had luncheon. They were most interested and urged me to get ahold of Graham in Paris. However, I was unable to locate him before my plane left.

I also covered the same ground in Washington, and on the basis of Bajpai's statement urged very strongly that Graham should return to the subcontinent with the understanding that he could open up the partition issue, either formally or informally.

Everyone seemed to feel that it would be a mistake to ask for a change in the terms of reference because of the possibility of an open conflict in the Security Council, and I gather that it was the general understanding that apparently Pakistan would not agree to handle this change quietly and without debate. However, I understood that Graham would be given the full background on this partition angle, and indeed it was only on that basis that I recommended his return.

Shortly after my return, however, I received a cable describing a talk between Ernie Gross and Sheikh Abdullah in which to my surprise Abdullah's oblique reference to the possibility of partition was immediately rejected.

We sent a cable on February 11 again strongly pointing out that partition seemed the only possible basis for a settlement, and it was pretty much a waste of time to carry on these talks unless we were willing to tackle it from that angle. I do wish, John, that you would get out this cable and reread it, because I am honestly buffaloed about the whole development from that time on.

Perhaps the Department simply assumed that my reports were partly incorrect and that an agreement could be reached through the same approach which had failed twice previously. But actually what seems to have happened is that my advice was taken, although somewhat reluctantly, on sending Graham back, but the very basis for my urging him to come was not taken into acccount. In any event, Graham arrived without any knowledge whatsoever of the partition proposal.

He told me in our first visit that not only had he had no discussion on the subject but that his talk with Ernie Gross in New York had seemed to him to indicate that our government was standing firmly on the requirement that he talk about no subject outside his terms of reference.

Graham said that in looking back on it, it seemed to him that the British had tried to tip him off that he was free to tackle the problem on a broader base, but that he was not even sure of this.

On the Saturday night before Graham left Delhi, he and Marin had a talk with Bajpai and Nehru, during which Graham asked Nehru if the Indian government had any proposal which might lead to a settlement. Nehru stated that he would let Graham know in a day or so, and on Monday morning Bajpai called Marin and said that India would like to open up the possibility of a partition such as was previously described. Marin, however, acting under instructions from Graham, said that in view of his terms of reference, this subject was beyond the limits of his powers.

Bajpai told me of this talk an hour later with the deepest disappointment and surprise. I then had a long talk with Graham in which he verified Bajpai's statements to me as to what had transpired. I urged him on a personal basis to stay on and to open up the whole subject of partition as a private citizen. I asked him if he would feel more willing to do this if I could get a cable to him from Dean Acheson and from the British specifically stating that he was free to act on his own once he was confident that he could not succeed under his terms of reference.[2]

---

[2] A marginal comment by Sandifer, which begins opposite this paragraph, reads as follows: "Rather amazing suggestion from an Ambassador. How does he think Graham could possibly act as a *private citizen?*"

However, after much long and tortuous consideration, Graham decided that he simply could not do this. He told me however that he felt quite optimistic about his ability to get a settlement on the basis of partition, with the idea coming perhaps from Graham or possibly terms of reference and allow him to come back. He said he thought he could make his report, get an agreement from the Security Council, and be back before the latter part of April, provided he could convince the Pakistanis to continue the negotiations on this basis without letting them know that India had proposed partition.

The latter point he felt was vitally important because in his opinion if the Pakistanis knew that the idea of partition had come from the Indians, they would not, in all likelihood, accept it.

At that time, Graham expressed great satisfaction at the willingness of the Indian government to modify its position on troops immediately and without compensating advantages.

Bajpai then called me to his office for a long and searching discussion of the whole subject. Bajpai was hopeful that Graham would come back and that the whole subject could be reopened on the basis of partition, with the idea coming perhaps from Graham or possibly even from the Pakistanis, if that could be maneuvered.

Although he did not give me the exact figures, he implied that the gap on demilitarization was still quite substantial, perhaps 16,000 Indian troops against 4,000 Azad Kashmir, half of whom would be volunteers. I pointed out that unless he was willing to modify these figures substantially, agreement would probably be no easier even if the problem was approached from the point of view of partition, but he stated that as long as Azad Kashmir was given on an outright grant to Pakistan and Jammu to India, the troop problem would be a lot easier if only the approach could be really opened up.

A short while later Bajpai called me over to tell me about Graham's proposal that he come out with a plebiscite administrator associated with him. Bajpai was extremely disappointed that Graham had apparently decided not to go to the Security Council for broader terms of reference, and said that they had written a rather cool reply, inferring that the Indian government was losing its patience. I suggested that perhaps Graham had run into trouble with the Pakistanis on changing his terms of reference, and that he was resorting to a plebiscite administrator as a means of introducing the subject in another way.

Bajpai grasped at this possibility and stated that this would make everything much easier. When I reported this to the Department, I received a rather cursory cablegram asking me to stop talking about partition. However, Bajpai again brought up the subject with me, as I reported by cablegram, and this time stated that while India was not going to put itself in a position of refusing to negotiate, he felt that it

was more or less a waste of time unless they could really get at the heart of the problem.

He again stated that he felt that a substantial reduction of troops in the valley could be made if the Azad Kashmir and Jammu problems were cleared up.

I asked him if the Indian government had really thought through to the position that they would take if Graham did open up the partition approach, and had they considered just how far they would be willing to go on troop reductions. I said that they must know the kind of agreement that the Pakistanis would accept, and if they want a settlement as sincerely as they seem to want one, they should decide what they were willing to do.

Otherwise, I suggested that they would be in the position of finally having gotten everybody to agree to the problem from the point of view that they wished without themselves offering an acceptable proposal on the basic question which would probably continue to be the quantum of forces.

Bajpai said that he agreed that they had not thought the thing through in as hard-headed a way as they should, and that he thought they should do so. He said if any test was needed of their sincerity, it lay in the fact that they had refrained from any publicity whatsoever on their proposal, and had even gone so far as to keep the partition discussions on a purely verbal basis both with me and with Marin. He repeated what he told me last March, that he was afraid that any document would become known and if it became evident that this proposal was coming from them, it would be doomed to failure.

He said that if India did not want an agreement and simply wanted to secure a solid propaganda position before the world, they would have long since made an appealing case in writing for partition, with emphasis on the rights of minorities, their willingness to compromise substantially for the sake of agreement, the fact that the plebiscite confined to the valley would greatly ease the military quantum of forces, etc.

He reiterated that the one reason they had not done this was because they wanted an agreement and not simply strategic advantage.

This is the story and I really wish I knew what had been going on at the other end of the line. For some reason, our views on this whole question have been pretty much disregarded, and I can't quite figure out why. The result, however, was one fruitless trip on the part of Graham, and unless we face up to the basic problem, it looks as though another fruitless trip was in the making. It is possible, of course, that Graham can come out on the same old basis, end up in a deadlock, and then ask both India and Pakistan if they would agree to a discussion of the partition approach, provided he can get agreement from the

Security Council. However, there is a good chance that Pakistan may refuse.

In any event, by that time everyone will be even more tired of the whole business. Finally, he would only be suggesting a course of action in June or July which it seems to me could have been followed last February.

I would deeply appreciate it if you would let me know what is going on, as we are entirely in the dark here. I feel as you do that it is desperately important that this conflict should be settled, and I have yet to have anyone explain to me why we can't tackle it through this most promising avenue.[3]

Sincerely, CHESTER BOWLES

[3] For Hickerson's reply, dated May 29, see p. 1252.

357.AB/4–2852 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, April 28, 1952—8 p. m.

3976. Two recent conversations with Bajpai on Kashmir. First just before publication Graham report, second this morning.

First conversation as follows:

1. Bajpai stated he had just recd cable from GOI rep SC stating that at private luncheon Marin on confidential basis had stated it clear to him overall plebiscite was impractical and wld never lead to agreement and strongly implied Graham agreed with this.

2. Bajpai stated this reassuring to GOI but cld not make it jibe with other info they had recd since Graham's departure from subcontinent which indicated that he interested only in continuing talks on former basis.

3. Bajpai said GOI wld probably not stand in way of Graham's returning subcontinent even though basis his return seemed indicate no hope for agreement. Bajpai said GOI had no desire take onus for breakdown of negotiations.

4. However, Bajpai said it his conviction that any negotiations limited to problem demilitarization wld simply mean continued beating of dead horse, that it shld be clear by now it was most unlikely either GOI or GOP cld compromise far enough to allow agreement in this narrow concept, and he again wanted make it clear if there was ever to be agreement on Kashmir in his opinion it wld be based on partition and plebiscite in valley.

5. Bajpai further stated:

a. Three zonal plebiscites wld eliminate certainty of bitter minorities such as Azad Kashmir or Jammu attempting undermine overall plebiscite winner. However, zonal plebiscite idea wld not ease disagreement over question quantum of forces which was heart of issue. For this reason he strongly favored giving Azad Kashmir outright to Pakistan and giving Jammu outright to India. He stated this wld substantially reduce number troops

needed defend passes into valley. He further stated Ladak region eastern Kashmir might present special problem since it Buddhist, ardently anti-Pakistan and inclined under best of circumstances towards Tibet, but that area thinly settled and some solution probably cld be developed.

b. Bajpai said frankly GOI had not thought through exactly what they wld agree to do if partition proposal was opened up but that as soon as Graham had made statement to SC he wld urge Prime Minister and his associates hammer out position which wld enable GOI, in Bajpai's words, "to really talk turkey" provided Graham were given broader terms reference to open up partition angle.

Second conversation this morning followed publication of full Graham report in all Delhi newspapers over weekend. Bajpai expressed deep disappointment that Graham had not opened door for broader discussion and had implied that further negotiations shld continue along previous lines. Bajpai reiterated that for obvious reasons GOI did not want to be in position of opposing any negotiations but that in his opinion nothing cld possibly come out of a continuing discussion unless question of partition cld be opened up.

He then referred to my previous criticism of GOI attitude on the negotiations, i.e. that they were very clear on what they wld not agree to but that they were not yet specific on what they wld agree to do except for their frequently expressed belief that plebiscite shld be confined to the valley. He said I was quite right, that the quantum of the forces wld still remain to be decided and that GOI must make up its mind exactly how far it wld go. He stated that he had opened up this whole question with Nehru who in turn brought up the problem of Sheikh Abdullah. Bajpai said no one has any real knowledge of what Abdullah is trying to accomplish beyond the suspicion that he wld like to develop an independent state. Bajpai said they had reports that several of the Communist and fellow traveler associates of Abdullah had regained their position of influence. However, he emphasized this was pure rumor and no one really knew. Bajpai said Nehru said Abdullah shld be asked to come to Delhi to talk out whole problem. He said Abdullah had been consistently stating he favored plebiscite and that they believed he wld agree to the partition but that they had not fully checked this angle with him. He said that Nehru wld return Wednesday night and he wld see him Thursday morning and do all he cld to establish clear cut GOI position on whole situation. He said that whether or not Abdullah was willing to participate in such a discussion and regardless of Abdullah's views, GOI must be a lot more clear than they are at present.

As result of these and previous conversations I wld like to add fol thoughts.

1. From the beginning of my discussions with GOI they have consistently held to their view that only practical solution lies through

partition. This did not come out in Dec conversations but I forced it out just before leaving for States in Jan by stating I cld not recommend to my govt that Graham shld come back unless I felt there was very real hope that problem cld be solved.

2. For some reason or other this angle on which our entire hope for agreement here rests was not discussed with Graham and hence he was unprepared when Bajpai at Nehru's instruction opened the question of partition a few days before Graham left New York.

3. At that time Graham did not feel he cld go beyond his terms of reference but he told me he felt partition angle was the most likely means of getting settlement and that he intended to go to the SC ask for broader powers and then to open up whole question on basis which promised real solution.

4. For some reason this tentative plan seemed to have fallen through but in any event the situation remains as of the last four months, i.e., that GOI is anxious in theory at least to discuss a settlement of the Kashmir problem on basis of partition and that Bajpai has stated in his opinion such approach wld enable GOI to substantially reduce their forces.

5. Clearly Graham can not come back with broader terms of reference granted by SC unless Pak agrees. If it refuses the suggestion that Graham return with one final try with no restraint on how he handle the discussions then obviously there is no sense in seeking to change his terms of reference. If, however, it appears Pakistan wld agree to one final broad discussion of the problem with Graham granted the same opportunity Dixon was granted, I believe we shld put the situation on ice for few days until I have chance to find out what GOI will really do. If, as I believe, GOI really wants to settle this question, I am in strong position if I tell them I can not recommend to my govt that Graham come back unless I am convinced they have thought through the problem and really intend to present Graham with reasonable proposal that has good chance of being accepted by Pakistan. I can not be sure, but believe I have reasonable chance of getting to do this. If I can not get them come to grips with problem or if for any reason we can not get the partition angle discussed there seems no future basis for negotiation at this time.

6. Any thought, in my opinion, that Graham can come back again, fail again, and then go back to SC for broader powers is mistaken. The five newspapers here yesterday were unanimous in calling Graham's mission a failure. *Statesman* was reasonably moderate. The other four, three of which are good friends, stated that clearly UN approach is failure. However, I still have strong hope that Kashmir situation can be settled if we will face up to need of securing broader terms of reference for Graham either through SC action or a clear understanding with Graham himself that he is free to open up the problem as a private citizen and also provided we can get GOI in advance to make up its own mind on what it will do when the chips are down. On any other basis believe Graham is wasting his time by returning to the subcontinent.

BOWLES

357.AB/4–2852 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State

SECRET KARACHI, April 28, 1952—6 p. m.

1266. FonMin told me this afternoon a mtg of GOP Cab was called

this morning to discuss Graham's report. PM is still ill suffering from shingles and FonMin who presided told his colleagues he is not yet prepared to formulate recommendations for Cab decision. He expects PM will recuperate sufficiently to hold mtg in next two or three days.

Then Zafrullah went on to indicate what he proposes to present for Cab action.

1. The Graham recommendations must be accepted. There is no sound basis for their rejection. There is no realistic alternative to their acceptance.

2. (*a*) The Paks will be glad to have Nimitz come into the picture as PlebAd. They believe GOI does not want him, because they do not want a plebiscite, also they are playing up their closer cooperation with US and fear criticisms of Nimitz might arouse American antagonism.

(*b*) The Paks are not agreeable to having Nimitz collaborate with Graham except as PlebAd because of possible adverse effect on his subsequent designation. But if Graham insists he needs Nimitz's collaboration on points other than establishing the quantum of troops prior to demilitarization, they will not object.

3. (*a*) GOP will agree to continue negotiations with Graham in New York and will send a deputation including a mil adviser as soon as the date is fixed.

(*b*) GOP will insist on a prior assurance from Graham before agreeing to continued negotiations that he will seek an agreement on quantum of troops and that if he fails to obtain agreement from both sides he will so report to the SC and terminate his negotiations.

Zafrullah said his colleagues are disposed to believe that Graham is an old man of the sea with his legs locked around the neck of Kashmir and will never let go. They cannot hold their people off with continued conversations without risking violent reaction.

Zafrullah says he will not ask them to agree to further negotiations unless Graham in this next attempt obtains agreement on troop quantum.

WARREN

357.AB/4–2852 : Telegram

The Secretary of State to the Embassy in India

SECRET PRIORITY WASHINGTON, May 3, 1952—12:31 p. m.

2431. For Amb FYI only.

1. Dept grateful report Bajpai's frank discussions Kashmir with you contained Embtel 3976 Apr 28. We believe if it is GOI position that negots re demilitarization merely "beating of dead horse" as Bajpai says, good faith shld impel GOI so inform UNRIP in which case entirely new situation wld be created. It shld be understood that if GOI considers demilitarization plan dead, and likewise other commitments it has entered into by accepting two UNCIP res, GOP

does not. Graham has indicated in his report that GOP has accepted all 12 proposals (with certain qualifications re character of forces to be withdrawn or disbanded). Paks over three year period have consistently agreed to various UN suggestions for settlement. Dept believes it wld be mistake with effects extending beyond Kashmir dispute for SC or UNRIP accept responsibility abrogation internatl agreements which shld clearly rest with that party which not now prepared implement them.

2. With foregoing in mind, and considering that Graham is for present charged with responsibility conduct negots between India and Pak, Dept believes that GOI, if it has not already done so, might form clear impression as consequence Bajpai's discussions with you re partition, that US favors Graham opening up discussion partition at this stage, and therefore that we do not believe his 12 proposals feasible. Such an erroneous impression cld only undercut Graham and wld practically ensure failure his forthcoming talks. Dept and UK concur in Graham plan to concentrate on remaining differences this time and believe full support shld be given his efforts persuade GOI agree less troops Indian side cease-fire line.

3. Dept has at no time ruled out partition as possibly eventual solution if peaceably agreed to by both parties but is convinced that Dept and its reps shld at this time refrain from any action which might be interpreted by GOI as present encouragement of partition talk. In our view talk of partition clearly matter of timing and we feel Graham and parties are only ones who can determine proper moment for initiating such talk. Accordingly, we believe your conversations with GOI, which can most advantageously occur only as result their initiative, shld be limited to objectives: (*a*) avoiding any situation which might lead GOI not pursue negots along lines Graham indicates he intends pursue; and (*b*) not discouraging GOI from initiating any sincere steps of alternative nature which have genuine possibilities leading to peaceful settlement with GOP.

4. Bajpai's statements to you, which we believe probably represent GOI policy, may well be interpreted as meaning that while GOI does not intend fol through its commitment under UNCIP ress, in order not take onus for scrapping them, it prepared talk around them indefinitely. While conceivable GOI may genuinely desire settlement now even at risk of seeing part of the state go to Pakistan, it must be remembered that Bajpai's emphasis on desirability of partition may be merely a device to negate efforts so laboriously made by Graham within present terms of ref. Introduction of partition proposal wld provide GOI with additional excuses for obstructing settlement as they have in past.

5. Re possible discussion of partition we have indicated to Graham our belief it unnecessary for SC broaden his terms of ref as we believe

his authority under Mar 30 res is sufficient authority him make any proposals he deems necessary toward solution Kashmir question. Mar 30 res appointed Graham successor Dixon and as such he has all Dixon's authority. However, as Graham understands obligation to SC he is bound as matter of priority make every effort arrange for demilitarization of area pursuant UNCIP res. While he fully briefed in Wash Jan your views (see para B2[5b] reftel) he has indicated repeatedly he does not propose raise matter of partition with parties. Although we can assume he understands logic of arguments for partition, as negotiator we believe he knows that were he to raise matter of partition not only wld all his work of past year on demilitarization be scrapped, but GOP which already unfavorably inclined toward him wld probably refuse to negot any further. Graham has indicated several occasions that if both parties indicate willingness discuss partition he will assist in mediating role. He has further indicated that if one party wishes him to be messenger re partition proposal he will convey message to other party but initiative on partition must be with parties and not with him. In absence something solid from GOI he apparently not prepared as matter negot strategy initiate new proposals which involve extremely difficult problems. It will be recalled that Dixon's discussion of partition with parties ended when he concluded that there was no possibility GOI agreeing to conditions in limited plebiscite area which in Dixon's view were minimum required to assure fairness of vote to which Pak had agreed.

5 [6]. Dept understands Graham does not propose return sub-continent but plans remain in NY for next phase negots unless parties suggest agreed alternative place.

ACHESON

357.AB/5–552 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, May 5, 1952—5 p. m.

4072. Deeply appreciate Deptel 2431[1] with complete discussion Kashmir problem. Earnestly wish we cld discuss this around table as there several points where we seem be talking cross purposes but am sure we wld quickly come together with all facts.

For instance, you state Graham fully briefed Jan as to my views presumably on partition and yet here in Delhi he claimed had had no discussion whatsoever this subj. Also implication Graham willing discuss partition if either party brought it up. Inds did bring it up in formal way in answer Graham's request their views on how settlement might be reached, but Graham felt unable pick up suggestion because his terms ref.

[1] *Supra.*

Finally, when Graham left here he and his asst both seemed fully agreed partition offered best hope eventual settlement provided of course, GOP cld be induced discuss this possibility.

Wld like add fol suggestions:

1. GOI has basic deep conflict between desire maintain *status quo* which already gives them best parts Kashmir, and their desire live up their internatl commitments. In addition, Bajpai wld dearly like end career Foreign Ministry with solution Kashmir problem. Therefore he much more inclined really think problem through than Nehru.

2. According best info I cld get GOI and GOP stalled on quantum of forces under present terms ref in neighborhood 4000 Azad Kashmiris to roughly 16,000 Ind arm troops without armor.

Conceivably GOI might go somewhat further but do not believe much further than three to one ratio which everyone assumes not sufficient secure Pak agrmt even though pleb administrator has control their placement. GOI argument continues be there many passes to valley from Pak side but only one from Ind side.

3. Bajpai's statement as to why he favors partition as fols:

a. If Ind won overall pleb she doesn't want rule over bitter relentless minority in Azad Kashmir nor does she want face new shifts population.

b. By confining pleb to valley essential question which must be solved, i.e., quantum mil forces, becomes much easier. Bajpai states GOI troops cld be reduced substantially.

4. No one knows whether GOI position sincere or as you seem suspect, simply delaying tactic, nor to what extent Bajpai represents views of GOI. If GOI object is simply delay, then this opening up of partition approach wld quickly estab this fact.

5. PriMin was certainly not enthusiastic about Kashmir when I saw him Sat. When I asked him if their was anything he wanted say about Kashmir, he said glad continue Graham discussion long as any hope for settlement, that GOI earnestly wanted pleb and that Ind glad discuss question partition, but no sense talking details on latter subj unless Pak willing open up question. He added Sheikh Abdullah not making situation easier, then changed subj abruptly.

6. Later, Bajpai, who had asked me come his office fol talk with Nehru, told me again GOI had definitely not thought through its position as sharply and specifically as it shld, and that he had sent long detailed memo to PriMin that day stating it essential GOI clarify own mind as to just what it wld agree do on Kashmir and what it cld not do. He said wld call me soon as he had heard further from PriMin.

Except for my talks with Graham, I have acted only as messenger on this question of partition. My positive statements to GOI have been consistently along lines they carried very real responsibility working towards settlement, their position not strong before world as long as they insisted on three or four to one advantage in quantum of troops, that Nehru had great chance eliminate at least one world sore point, etc. I will continue along these lines and hope for best unless you have further ideas.

BOWLES

357.AB/5–552 : Telegram

The Secretary of State to the Embassy in India

SECRET WASHINGTON, May 5, 1952—6 : 03 p. m.

2440. For Amb. Re Kashmir. FYI Dept believes Graham reaction to substance Embtel 3976 Apr 28 conveyed to him at Dept request may be helpful to you with particular ref paras 2 and 3 containing ur further thoughts. Summary statement his views reported by USUN follows:

1. As is well known, Graham's position has consistently been that he strictly observes his terms reference; he is adverse to suggesting himself alternative solutions which, if question of such were arise at this stage, wld be raised on motion of one or both parties. As a mediator, he is characteristically open-minded on alternative solutions.

He considers and stated in conversation on subcontinent that his terms reference chart a course of negot with emphasis on plan of demilitarization preparation for plebiscite.

He disturbed that Bowles felt Graham contemplated any request to SC for change terms reference and he feels nothing in his conversations looked in that direction. Graham deeply appreciative Bowles over-all good work India.

2. Graham anxious India shld not be given excuse shut door on continuation present negots by any reports about Graham's attitude on alternative solutions; he does not want his hands tied in future; he emphasizes strongly need for bringing Pakistan along on continuing negots and agreeing to any future steps suggested. *End summary.*

ACHESON

357.AB/5–1352 : Telegram

The Secretary of State to the Embassy in India [1]

SECRET PRIORITY WASHINGTON, May 13, 1952—7 : 24 p. m.

2521. Re Kashmir. Dept and UK have agreed on parallel identical approaches in Delhi and Karachi. You shld coordinate with UK colleague. Dept suggests fol text be read as statement representing views US Govt.

Begin verbatim text: (*a*) We understand that although both parties have accepted in principle Graham's proposal for resumed negots, there may be a wish on one or both sides to lay down certain qualifications for the basis of the negots.

(*b*) This seems to us a negation of what wld seem to be the whole purpose of Graham's proposal. His aim is to get discussions between the parties going in order that there shld be an opportunity for real negots on crucial issue of demilitarization.

(*c*) Graham has made it clear that his negots will be directed towards general implementation of two UNCIP res and that his starting point

[1] This telegram was repeated to Karachi as telegram 1211 (priority) and to London for information as 5879.

for these negots will be the four outstanding points of difference and, particularly, the quantum of forces, and this seems right to us, since agreement on demilitarization is essential prerequisite for a plebiscite. We feel that during last round of negots parties did not come to grips with this problem and that the immediate need is for detailed discussions about it.

(*d*) At the same time, we hope that both parties will be ready with contributions of their own which they may consider wld help towards agreement.

(*e*) We expect negots to enable Graham within a reasonably short time to take matters a definite stage forward. We believe that outstanding issues are susceptible of agreement, given a real effort by both parties to seek it. Each party in these negots will have to be prepared to make some concessions to point of view of other, and we urge both parties to accept implications of this. We therefore urge both parties to enter negots on basis now suggested by Graham.

(*f*) If proposed negots do not resolve all outstanding points of difference, we ourselves contemplate that there shld be a full examination by SC of these differences in light of Graham's report. *End verbatim text.*

ACHESON

357.AB/5–1552 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, May 15, 1952—5 p. m.

1377. Re Deptel 1211 May 13.[2] After I went to the FonMin today with statement of the Dept's position and recommendations on Dr. Graham's reply to the Paks conditioned acceptance of his *aide-mémoire* on Kashmir, Zafrulla gave me the results of his preliminary thoughts on probable Pak action. I gather the Paks are prepared to send reps immed to NY to be at Dr. Graham's disposal for a period of a month from the date of their arrival in NY. They will have authority to participate in conversations but not authority to negotiate with respect to the quantum of troops. This quantum is to be based on Dr. Graham's proposal or on the Devers memo, whichever is the more acceptable to India. The further condition of acceptance is that if no agreement emerges after a month of convs, the GOP will then insist that Graham, under the authority of para five of the SC's res of Mar 30, '51, report back to the SC and so invite a full debate on his efforts to reach agreement. FonMin was disturbed by some of the language in Graham's offer as well as the Dept's statement I read to him. He pointed out that Pak has consistently made concessions in order to reach agreement on demil as a step toward the solution of the Pak problem and that such concessions have been unilateral. He said he feels the present language addressed to Pak puts a premium on intran-

[1] This telegram was repeated to London and New York.
[2] The same as telegram 2521 to New Delhi, *supra*.

sigence. On the other hand, he is most anxious to get on with the negotiations, but the Paks do not want Graham's forthcoming and final efforts to be diverted. They feel that an emphasis must be placed on reaching agreement on his four points that remain outstanding and that then further steps to be taken under the two UN resolutions for the demil and pleb must be considered in relation to the designation of the pleb administrator and his induction into office. The FonMin is adamant in his feeling that action must be taken either positive or a recognition of failure at the end of these forthcoming discussions. He said that he will not be a member of the del and he will have to wait Cab action to determine whether a del shall consist of the persons already indicated, that is, Ayub, Secy of the Min of Kashmiri Affairs, and Lt. Col. Iqbal of the headquarters staff of the Pak Army, or whether there shall be other persons. I inferred from this aspect of his conv that he may be considering the desirability of permitting the Fon Secy and the Defense Secy to go as evidence of Pak good faith in attempting to reach solution by conducting the discussions at a high level.

WARREN

357.AB/5–1652

Memorandum by the Assistant Secretary of State for United Nations Affairs (Hickerson) to the Secretary of State

SECRET

WASHINGTON, May 16, 1952.

Subject: Continued Availability of Dr. Frank P. Graham on Kashmir Case.

Discussion

UNA understands from Ambassador Gross that Don Dawson of the White House has had a telephone conversation with Andy Cordier over the availability of Dr. Graham for a position to which the President wishes to appoint him. This position will require senatorial confirmation and accordingly it has been indicated that the White House would wish to have the nomination sent in before Congress is likely to adjourn.

We fully appreciate the desirability of Dr. Graham taking the Presidential appointment which we understand was originally tendered to him by the President last October and which the President has, largely at your behest, held open for Dr. Graham since that time. However, we are confronted with the fact that the Kashmir negotiations are presently at their most critical stage and it is of the utmost importance that there be no apparent uncertainty as to Dr. Graham's continued role in them at least for the time being. We believe that naming Dr. Graham for a post of reasonably national

prominence now would undoubtedly destroy his usefulness as a negotiator vis-à-vis the parties and conceivably might set back seriously his slowly won progress. We believe that the next three or four weeks will be critical but at the same time should indicate the ultimate availability of Dr. Graham for the position to which the President wishes to appoint him.

Recommendation

That you raise again the matter of Dr. Graham's absolute importance to the Kashmir case and express the hope that the President will agree with us that no formal or public action should be taken with regard to appointing Dr. Graham to a national post at least for the next three of four weeks. We fervently hope that the President will agree to a postponement of this decision during the time indicated.

357.AB/5–1952

Memorandum of Conversation, by the Secretary of State to the President

CONFIDENTIAL WASHINGTON, May 19, 1952.

Item 3. Dr. Frank Graham

The President agreed not to make any public move in Dr. Graham's appointment for three weeks or so. He would like to review the matter in the first or second week in June. He contemplates that there may be some opposition to Dr. Graham and he would like sufficient time so that mere delaying tactics cannot defeat the appointment.

D[EAN] A[CHESON]

690D.91/5–1952 : Telegram

The Secretary of State to the United States Mission at the United Nations

SECRET WASHINGTON, May 20, 1952—7:26 p. m.

441. Re Kashmir. Urtels 830, 831.[1]

A. If Graham requests USUN advice next step vis-à-vis Pak reply you may indicate fol:

1. We believe he is in best position know what course he shld pursue and we are prepared give him such support as he may indicate he desires;

[1] Telegrams 830 and 831 from New York, dated May 19 and 20, respectively, reported that Pakistan had replied to Graham's last note and were sending representatives to New York immediately. The representatives would be authorized to discuss only Graham's 12-point proposal, with emphasis on the four unagreed points. They would be authorized to negotiate on these points only on the basis of Graham's conclusions as contained in his report to the Security Council of Dec. 18, 1951. (690D.91/5–1952 and 690D.91/5–2052)

2. It is our opinion that best course for him pursue wld be ack Pak communication and state that after careful consideration their reply he is still convinced the course of action which shld be followed is that indicated to the parties in his Apr 21 report and subsequent clarifying *aide-mémoires.*

3. He might add assurances he will adhere strictly to course of action he has indicated and he hopes it will be possible to begin negots at an early date.

B. We understand this position conveyed to UK Del who have indicated likelihood their agreement.

ACHESON

690D.91/5–2152 : Telegram

The United States Representative at the United Nations (Austin) to the Department of State

SECRET NEW YORK, May 21, 1952—7 : 03 p. m.

844. Re : Kashmir.

A. USUN called on Graham at his request with Marin and Jackson present. During a conversation in which we conveyed the points contained in Deptel 441 of May 29 [*20*], the fol points were touched on :

1. Graham felt disadvantage of SC mtg at this stage is that Paks might press for Art 37 res and upon failure to obtain it they wld feel they had suffered another defeat. But for short time before Malik presidency Marin wld favor SC debate now.

There was general feeling that tentative USUN suggestion of SC dinner with parties and Graham present might be useful device for Graham early in his negotiations.

2. Graham expressed repeated concern at having Indians arrive not knowing of strict limitation of authority of Pak del. Paks had told him of this on very confidential basis and therefore, he hesitated to repeat it to GOI.

Marin suggested, and Graham appeared to agree, that when discussing agenda of talks it wld be appropriate to point out limitations on Pak del's authority. He thought Graham's position wld be protected by reply to recent Pak letter along lines suggested in Deptel. Graham and Marin indicated that given current attitude of parties there is little if any room to maneuver and to make negotiations produce results. However, USUN recalled that this period might be used, as Graham had suggested, for discussing a place to which both govts might send higher level dels.

3. Graham asked us to confirm that in his next report, especially if a final one, he can state such conclusions as he desires. Jackson suggested that the conclusions of such a report might not lend themselves to the adoption by the SC of an Art 37 res.

B. After the above meeting, Graham telephoned USUN, stating that he had decided to address a letter to GOP expressing his gratification that its del is en route and recalling his terms of reference as stated in his original and clarifying *aide-mémoire* to GOP.

C. In subsequent conversation with Rajan (India), USUN was probed about what Pak attitude will be. He inquired who wld represent GOP and we indicated probably Ayub and we were uncertain who else. He wondered how limited Pak del wld be by instrs and we expressed opinion it wld be limited but important thing is UN mediator authorized to act under his own terms of reference. He inquired our understanding of UN rep's mention in 22 Apr report of "other factors . . . bearing on demilitarization." We suggested he direct that inquiry to Graham.

He indicated personal feeling SC debate wld be undesirable. We pointed out it is reasonable to expect some flexibility in position of both parties if negotiations continue.

Graham has suggested to parties that negotiations begin at hdqtrs on May 29.

AUSTIN

690D.91/5–2452 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, May 24, 1952—10 p. m.

4411. Bajpai delivered the following *aide-mémoire* to me today.

The Government of India have most carefully considered the *aide-mémoire* presented by the Ambassador for the USA on the subject of the Kashmir dispute.

While they appreciate the friendly spirit in which the resumption of negotiations on the four outstanding points of difference, particularly the quantum of forces, listed by Dr. Graham in his third report, has been strongly urged by the Government of the USA, they regret that the concessions already made by India regarding the quantum of forces have not been fully appreciated. India has already agreed to reduce the number of forces on her side of the cease-fire line to a figure of 21,000, which is approximately one-sixth of the force that she had in Jammu and Kashmir on the first January 1949. She has made it clear that this force will have no supporting arms and that, as and when the fear of infiltration from the other side diminishes, she will be willing to consider, in consultation with the UN rep, further reductions. She has given an assurance that whatever force it may be necessary to maintain in the state for purposes of security will be so distributed as not to interfere in any way with the freedom of the plebiscite. The Government of India, therefore, find it difficult to understand what fresh concessions they can reasonably be expected to make. They have, throughout their discussions with Dr. Graham, in India or in Paris, given convincing evidence of their desire to do everything in their power, consistently with their obligation to safeguard the security of the state of Jammu and Kashmir, to make his mission successful.

It is their earnest desire that the Kashmir dispute, which has now lasted over four years, should be peacefully settled. Animated by this desire, they are willing that negotiations to this end should be resumed, and are instructing their permanent representative at the headquarters of the UN accordingly.

BOWLES

357.AB/5-2852

Memorandum of Conversation, by the Acting Secretary of State

SECRET WASHINGTON, May 28, 1952.

Subject: Kashmir

Participants: Admiral Chester W. Nimitz, UN Plebiscite Administrator Designate for Kashmir
Mr. David Bruce, Acting Secretary
Mr. Samuel K. C. Kopper, Acting Director, NE
Mr. James Ludlow—UNP

Admiral Nimitz called on me this afternoon to pay his respects and to inform me that he was planning to resign as UN Plebiscite Administrator Designate for Kashmir. He indicated that he had already talked at some length to Mr. Hickerson concerning his reasons for so doing. Briefly he stated to me that he believed no mediation effort in Kashmir was going to succeed so long as Mr. Nehru maintained his present "unstatesmanlike" attitude on the Kashmir question.

He said he had promised Mr. Hickerson that he would not submit his resignation until after he had conferred with Dr. Graham and Ambassador Gross in New York. He said he did not wish to cause any embarrassment to the United States but added that he definitely opposed his associating himself with the present round of negotiations which Dr. Graham is conducting with the Pakistan and Indian Delegations in New York.

I said that we appreciated his desire to resign and also appreciated that he had indicated that he would postpone submitting his resignation at least until he had talked with the people named. I informed him that the Secretary had spoken to me about the possibility of the Admiral resigning his post. In view of the fact that the Secretary had expressed some concern on this matter I hoped that he would seize the opportunity to speak to the Secretary when he returned, which would be sometime toward the end of this week.

The Admiral indicated that he would be in touch with us again after his conversations in New York.

DAVID BRUCE

Editorial Note

The United Nations Representative for India and Pakistan informed the Security Council in a letter of May 29, 1952 that negotiations between India and Pakistan had been renewed (UN doc. S/2649). The negotiations took place in New York between May 29 and July 16, 1952.

690D.91/4–2852

The Assistant Secretary of State for United Nations Affairs (Hickerson) to the Ambassador in India (Bowles)[1]

SECRET [WASHINGTON, May 29, 1952.]

DEAR CHESTER: Thank you for your friendly and informative letter of April 28 on Kashmir. I am glad that you wrote and took the time and trouble to detail your candid analysis of the apparent differences between yourself and us over how the Kashmir question should be handled. I have described our differences as "apparent" because I think they are more apparent than real. But however described they should be removed and I hope my reply will do just that. In this connection, I trust that our telegram no. 2431[2] has been helpful.

In discussing the Kashmir question, particularly from our point of view, it seems to me we have to answer two fundamental questions: (1) What are our objectives in this problem; and (2) What can be done to settle it?

Answering the first question, our objectives are that the problem be solved through peaceful means acceptable to both parties and that we as a nation vitally interested in this problem shall assist toward such a settlement as an impartial friend of both India and Pakistan. We believe that, in attempting to reach a peaceful solution of this problem, India and Pakistan, as members of the United Nations, wisely resorted to the Security Council for assistance. The Council has patiently considered the case for four years. We as a member of the United Nations have firmly endorsed and assisted all the efforts of the Security Council in seeking settlement. We believe that the problem should be settled in the United Nations, particularly since the parties themselves sought recourse to it. This does not preclude the settlement of this matter outside the forum of the United Nations, if the parties themselves mutually agree on a settlement on a bilateral basis. This, however, is up to the parties and since

---

[1] Drafted by James M. Ludlow of the Office of United Nations Political Affairs (UNP) and by T. Eliot Weil and William L. S. Williams of the Office of South Asian Affairs (SOA).

[2] Dated May 3, p. 1241.

they have not agreed on such a course of action, we must continue to support United Nations action and to press the parties to reach therein a peaceful solution of their dispute.

I'm sure you would agree that in the process of mediation, it is dangerous to abandon a plan of settlement which has been agreed to by the parties to the dispute in favor of something new, unless there is the strongest reason to believe the new approach will work. Do you think we have that reason now? When India had the opportunity to discuss partition (when Sir Owen Dixon was working on this case) it very quickly made it clear that it was not prepared to agree to conditions for a plebiscite in the Vale, which in Dixon's opinion were the very minimum required to assure the freedom of the vote. It is possible, although we are compelled, on the basis of the past history of this problem, to remain skeptical that the Government of India may now be in a mood to agree to conditions which from the objective standpoint seem required for the administration of the plebiscite area under a plan of partition. Nevertheless, I think it is safe to assume, that even if Pakistan were now willing to talk about partition, it would only be on the condition that India first accept a plan of administration in the plebiscite area which, in Pakistan's view (since there must be agreement), would provide the proper safeguards for the freedom of the vote. It is very clear to us that there is scope for infinite discussion and delay over the modalities of a plebiscite whether it be held throughout the state or in a smaller area.

I should appreciate your critical analysis of Indian motives in talking to you about partition, while apparently maintaining silence, except on one occasion, in talks with Graham. You mention in your telegram No. 4072 [3] that the Indians raised the question of partition with Graham in a formal way, but it is clear that they did not authorize Graham to go to the Pakistan Government with the suggestion. Why does India seek to have someone else raise the question? If Bajpai were serious about partition couldn't he find some way of letting the Pakistanis know that GOI honestly desired to discuss this possibility? Partition, however, flies in the face of the concept of the secular state, and if proposed by India might give cause for general speculation as to the security of India's present position in Kashmir. Partition, as you know, is something of a nasty word in the subcontinent, particularly in India. I am sure the Indians must realize that if Pakistan should propose partition there might also be a negative reaction in India. We are frankly not impressed by Bajpai's rather tortuous explanations of India's failure to push the idea. It seems clear to me that if India is sincere in its expressions of a wish for a settlement via partition, it must in the nature of things come forward with some sort of specific proposals.

[3] Dated May 5, p. 1243.

The pressure is on India because of its own record, and has been for some years now, to give some convincing evidence of a genuine intention to do its part in settling this dispute. You have reported in your telegrams and mentioned again in your letter that Bajpai has admitted that his Government has really not itself come to grips with the idea of partition—that it hasn't "thought" through to the position that they would take if Graham did open up the partition approach. This brings into doubt India's motives in trying to get Graham to open up on partition. It suggests that if Graham were willing to discuss partition he would have to wheedle and cajole India into making some firm proposal. It again raises the question as to whether the Indians are seeking to get out from under the current pressure by raising a new point. If Bajpai is hinting that India is willing to consider partition with the idea of getting GOI out from under the current negotiations, his remarks cannot be taken seriously until such time as his Government may officially say to Graham or to the Pakistanis something along the following lines: "We believe certain agreements which we made three years ago have outlived their usefulness; we want a settlement of our dispute with Pakistan but we cannot now proceed on the basis which we previously accepted. We are now willing to discuss a settlement on the basis of partition as follows: . . ." And then the Indians should spell it out. In this connection, your repeated suggestions to Bajpai along the lines that India has a very real responsibility to work for a settlement and to come forward with concrete proposals are most appropriate.

Adverting for a moment to the question of conditions in the smaller plebiscite area under a scheme of partition, it might seem at first glance that demilitarization would be less of a problem. Bajpai has indicated to you that partition with a plebiscite limited to the Vale would reduce the problem. We believe that the problem of the quantum of troops would still remain, particularly since there would still be the necessity of determining how many troops Indian or otherwise should be stationed in the Vale. We would assume that the Indians would want to relate the number of their troops remaining in the Vale to the number of Pakistani troops which might be on the Pakistani side of the partition line. Does it not seem likely that India would still insist on the extreme disproportion of troops that they now insist upon? The point to this question is that whether there is acceptance of Graham's Twelve Point Program or whether the UNCIP resolutions are scrapped in favor of partition and a plebiscite in the Vale a number of extremely knotty questions would still remain.

We now come to the second fundamental question—what can be done to settle the Kashmir dispute? Graham as the agent of the Security Council is charged with doing his utmost to get agreement between the parties on the demilitarization of the state as the step precedent to the

plebiscite. He has been carrying out the task with which he has been charged and he has indicated that he proposes to continue to do it. He would not be fulfilling his task if he should now drop his program without having reached a clearly indicated impasse on the remaining major points. The Pakistanis have indicated it is on this one remaining point that they are most anxious to negotiate. Now we gather from Bajpai's remarks to you the Indians do not desire to pursue further negotiations on this point. Rather, before an impasse is reached with the genuine likelihood of an unfavorable reflection on India's motives and sincerity, Bajpai, speaking for the Indian Government, wants Graham to go to the Pakistanis who are still willing to negotiate on this program, and say in effect: "Let's forget my demilitarization program which the Security Council directed me to work out, and let's forget the two UNCIP resolutions to which you and the Indians agreed and upon which the Security Council long ago put its blessing. I have got an idea for partitioning the state and for a plebiscite in the Valley, and I hope you and the Indians will agree to it. If you don't agree, I'll not only have to report that I can't get agreement on my demilitarization program but also that you would not agree to my alternative proposal." Granting the crudeness of this illustration, I have the gravest doubts over Graham's resorting to what the Indians are suggesting to you. Not only would he be scrapping his own efforts of the past year but he would be proposing something which he knew the Indians, at least in principle would accept and the Pakistanis, as a matter of fact, would not. What would be accomplished by such a procedure and who would benefit by it? The Kashmir question would certainly be no nearer settlement and the United Nations and the United States would certainly not have gained anything in India's favor commensurate with the United Nations loss of prestige and with our loss of favor in the eyes of Pakistan and probably the rest of the Moslem world. Graham's usefulness as agent of the Council in this particular case would be destroyed and we would not only have retrogressed as far as the date of the adoption of the UNCIP resolutions but farther back than that since the UNCIP resolutions themselves like Graham's labors of the past year would in effect, be scrapped. One can only guess at the consequences arising out of such a situation but it is a fair guess that further handling of the case by the United Nations would be a virtual impossibility and that the Pakistanis might well feel impelled to rash action.

In dismissing this course of action, it seems well to comment briefly on the alternative course of action proposed to you by Bajpai as being that course of action which India suggested would only be misunderstood as a propaganda move, i.e. a public appeal in writing for partition with emphasis on the rights of minorities etc. The mere fact that the Indians have not taken that course of action and have stressed to

you their desire to avoid any publicity whatsoever on their proposal, even to the extent of being sure any discussion of it is on a purely verbal basis, merely underscores our conviction, that India does not wish to assume the responsibility for undertaking a course of action which would, in effect, say that they desired to go back on their commitments under the UNCIP resolutions and hence were proposing a new course of action. Rather, they want us or the United Nations in the form of Graham, to abrogate for them their agreement with Pakistan.

The course of action which we must pursue is that upon which we have been embarked for the past four years. The settlement of the Kashmir question is the initial responsibility of India and Pakistan. The United Nations and we, as a member of the United Nations, are rendering the parties friendly assistance in their seeking a solution of the problem. We can and must encourage the cooperation of both parties toward the desired objective. The United Nations has to date had the general cooperation of the Pakistanis. Thanks to you and Graham we have had the feeling that the Indians have recently shown a more cooperative attitude than in the past. We hope that this attitude will continue to develop since it is the only way that a just and peaceful solution of the problem may be reached. In pursuing this course of action, we must rely on the parties themselves and on Graham to determine the how and the when of each new development in the negotiations and we must then be prepared to back up Dr. Graham and the cooperating party or parties, at such time as public debate may occur in the Security Council.

These are some of the considerations which we feel bear heavily on the approach we take to the Kashmir dispute at its present stage. I think you understand that Dr. Graham is responsible only to the Security Council. He listens to ideas but makes his own decisions. I don't know the reason for the different stories you have had regarding whether or not Dr. Graham was briefed on your views in Washington in January. The fact is he was informed of your talks with Bajpai and of your own ideas as well. Quite possibly he felt when he was in Delhi that his position demanded that his informal talks in Washington not be referred to as "discussions." I don't know, but I hope the matter can now rest.

My feeling is that if there are any differences in our views on this case they relate mainly to timing and technique. The US does not have the ball; Graham has it, and he is not a US agent. He has apparently so far not considered, in the light of his considerable knowledge of the problem and of the attitudes of the two governments, that the time has been propitious for entering into the question of partition. He has indicated that he would do so if one of the parties wanted him to be a messenger boy, or if it was clear to him that both parties wished

to talk about it. We have no reason to think that this is not still his attitude, and we have no solid reason to question the wisdom of his not opening up the question so far.

I sincerely hope this letter, which is in the nature of a commentary on our telegram no. 2431, answers the questions which you have had out there. I greatly appreciate your writing me and hope that this exchange will clarify further any doubts you may have had concerning this case. I am looking forward to seeing you sometime during your forthcoming visit to the Department and possibly using the opportunity for a further exchange of views on Kashmir.

Sincerely yours,

JOHN D. HICKERSON

357.AB/6-1352

Memorandum of Conversation, by the Assistant Secretary of State for United Nations Affairs (Hickerson)

SECRET

[WASHINGTON,] June 13, 1952.

Subject: Kashmir

Participants: Ambassador Chester Bowles
John D. Hickerson
Mr. Weil, SOA
Mr. Stein, UNP
Mr. Ludlow, UNP

Ambassador Bowles called upon me this morning to discuss the Kashmir situation. He commenced his comments by describing to us the last few meetings he had with Dr. Graham in New Delhi, particularly as they related to the consideration of the limitations on Dr. Graham's terms of reference. He requested information as to what happened after Dr. Graham left New Delhi and he was advised of Dr. Graham's experiences in Karachi which convinced him that further negotiations on the Kashmir question could not be conducted by him there on the subcontinent at that time.

The Ambassador then proceeded to outline his views concerning the necessity for settlement of the case through partition or through a partial partition with a plebiscite in the Vale. He said that he did not believe that there was reason to hope for anything productive coming out of Dr. Graham's present talks in New York. He indicated his belief that the Indians were really not prepared to permit a quantum of forces which the Pakistanis could accept, since it appeared likely that whenever the Pakistanis would insist on a force larger than insisted upon by the Indians, the Indians would merely increase the number that they were insisting upon. Aside from the troop quantum question, the Ambassador said that it was his belief that the Indian Government now was coming to the conclusion that they could not win a plebiscite

in Kashmir. Up to about a month ago they had assumed that in a plebiscite one quarter of the people would vote for Pakistan, one quarter of the people would vote for India, regardless of what the Sheikh Abdullah urged, and 50 percent of the people would be swayed by the position that the Shiekh Abdullah took which would mean that the plebiscite would then go to India. The Indian Government now is not at all sure of Abdullah's loyality. Accordingly, they would be much more inclined to settle the Kashmir question on the best partition terms possible. He said that, as he saw it, the only possible alternative to partition, with or without a plebiscite, would be a joint guarantee by India and Pakistan of Kashmir's independence, but it was agreed that this would present some extreme difficulties.

I told the Ambassador that it had been my feeling for nearly two years now that there never could be the plebiscite anticipated in the UNCIP resolutions, and perhaps there should not be. My own preference was for straight partition with no plebiscite as being the way most likely to produce quick settlement. Sir Owen Dixon's experiences with Nehru two years ago, when talking about partition in the Vale, had tended to discourage me from the belief that even a partial plebiscite can be held. Ambassador Bowles pointed out that he had attempted in his conversations with Bajpai to indicate his belief that holding a plebiscite in the Vale after the rest of the state was partitioned would still confront the two parties with the problem of the quantum of forces and that a proposal for a plebiscite merely in the Vale, in reality, did not bring the Kashmir question much nearer solution.

We talked of the ways and means of inducing the discussion of partition. The Ambassador and I agreed that the water rights problem with the possibilities of loans to the governments for the development of the water ways had an important bearing on the case and might offer an incentive to both parties to work for a settlement of the problem. Ambassador Bowles pointed out that India in particular would have a much better prospect of receiving loans from the International Bank if, with the solution of the Kashmir problem, defense appropriations could be substantially reduced. It was pointed out that the water ways talks were not progressing at all well now with the Indians taking an intransigent position on the subject. Ambassador Bowles pointed out that it was the Government of India's thesis, as evidenced by his talks with Bajpai and his talks this past week with Indian Ambassador Sen, that India itself could not raise the subject of partition. I told the Ambassador that it was our belief no one but India could raise the matter of partition. Certainly we could not and Dr. Graham had indicated he would not. I hoped therefore that he would use every effort to persuade Nehru of the necessity of Indian initiative.

Turning to the consideration of what we should do in the event that

Dr. Graham's effort failed, both in New York and with the Prime Ministers, Ambassador Bowles said that it was his opinion, and he was glad to say that Ambassador Warren agreed with him, that we should make every effort to get out of the case since, so far as our relations with India are concerned, we were profiting nothing by our manifest role in the case. Only the Soviet Union was gaining any advantage by our continued role in the case. I pointed out to the Ambassador that while we could not get out of the case entirely we had been giving careful consideration to the possibility of a good offices group, consisting of Prince Wan, Romulo, and Entezam, being the means not only of putting pressure on the parties to settle the case but of broadening the UN responsibility for the settlement of the case—possibly to the point where we could step into the background. To Ambassador Bowles' question I replied that I thought that it would be possible to persuade all three persons mentioned to undertake the task, if we decided upon this course of action. We agreed that there would be nothing gained, if Dr. Graham failed, by attempting to force upon India an Article 37 resolution which could not be enforced.

In concluding, I reiterated our hope that the Ambassador would do everything in his power, when we so requested, to persuade Nehru to meet with the Pakistan Prime Minister and to take the initiative on a new course of negotiation. Ambassador Bowles said he would be ready to do this although he did not know at this stage who had the hardest job: he, in attempting to persuade Nehru to do what we were suggesting, or Ambassador Warren in attempting to persuade the Pakistanis to accept talks on partition.

J[OHN] D. H[ICKERSON]

690D.91/6–1952 : Telegram

The Secretary of State to the United States Mission at the United Nations [1]

SECRET WASHINGTON, June 19, 1952—7:50 p. m.

498. Re Kashmir. As result of conversations between Graham, USUN, and Dept's reps and subsequent info that Pak Del plans to discontinue talks with Graham by end of next week, we request you discuss with Graham fol possible next steps in case. We understand Graham is already favorably inclined toward course indicated.

1. In order to forestall Pak Dels terminating conversations with Graham, before Bowles has reached Delhi and is in position to fol up on Graham's appeal to Nehru, we believe Graham shld inform both Pak and Indian Dels on Monday, Jun 23 that he is planning to communicate with their respective Prime Ministers on the Kashmir

[1] This telegram was repeated for information to London.

question within the next few days. Nature of communication wld not be discussed.

2. On or about Jun 26 Graham wld make strong appeal to Nehru and Nazimuddin to meet together with him at place he suggests or place 2 PMs can mutually agree upon. Pak and Indian Dels cld be advised of Graham's plea but we believe possibility of plea being stalled off by GOI is less likely if not transmitted to dels for referral their respective govts. Graham is obviously best judge as to content of plea but he might wish indicate nature of stalemate and other circumstances which dictate his being forced to request meeting. Graham might or might not indicate to 2 PMs his view on what agenda of meeting shld be. If he chooses offer agenda fol is a possibility:

a. Full agreement on the unresolved points of his demilitarization program;

b. Suggestions by the 2 PMs as to what he, Graham, shld say on point (*a*) to SC in event of continued disagreement;

c. Any other suggestions or recomms which the PMs might have in mind making to him or to each other on courses of action which might lead to settlement of the Kashmir question.

We suggest that if he includes point (*c*) Graham might wish to indicate to both parties that, while he wld feel compelled to report on items (*a*) and (*b*), he wld not include info on point (*c*) unless in his discretion he decided to do so with the prior approval of both parties. This provision we believe may allay to some extent Pak fears that Graham intends to propose a new course of action to both parties and might serve as face-saving basis for GOI to indicate possible new approach to problem along lines of partial or total partition. We suggest that date for commencement of negots shld be latter part second week in July in order to give govts time to prepare for meeting and give US and UK chance to build up political support for constructive action in meeting.

3. US wld simultaneously give strong dipl support this step by urging GOI and GOP accept Graham's request and asking GOI take more reasonable position re troop quantum if there is still hope of progress in that direction otherwise declare to Graham it ready make alternative detailed proposals. If our approach to GOI has positive result US after consultations with UK and Graham wld approach GOP saying we have assurances GOI will offer suggestion re demilitarization or new approach (depending GOI response our appeal) and urging GOP consider proposals without prejudice to UNCIP res commitments.

4. USUN shld consult with UK Del on proposed course of action. Brit Emb has been informed and has been requested to obtain views of FonOff on joint action.

ACHESON

690D.91/6–2152 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

SECRET PRIORITY WASHINGTON, June 21, 1952—5 : 29 p. m.

6836. . . .

Dept officers made fol pts in answer to Belcher:

a) Proposed meeting is not procedural expedient but logical step by Graham designed to shift discussions from lower level to highest level and thus exhaust all possible avenues open to Graham. Unless he proposed PM's meeting Graham will not be able to say he has done everything possible. His negotiations in NY provide the lead-up and the proposed UK–US representations to both parties plus Graham's own arrangements with parties re agenda etc wld provide necessary spade work. If meeting fails it will be clear that failure due to parties and not to Graham and UN.

b) If PM's meeting held now India wld be under pressure of impending unknown SC action which wld immediately follow failure of such meeting. Such pressure might be more effective than pressure which wld theoretically be created by SC res.

c) Graham has not explored with parties solutions other than demilitarization and state wide plebiscite. Steps proposed by Dept would give him what might be his only chance for such exploration. At this time he cld undertake such exploration without public admission of failure.

d) GOP will not be satisfied with any res which does not pt finger directly at India. Past experience indicates res of this sort not effective and might only cause GOI harden its position. It is likely that both parties will be dissatisfied with res SC wld pass. It wld therefore be helpful avoid res if progress cld be made in PM meeting now.

e) USSR may veto SC res which wld make subsequent PM meeting more difficult.

f) Failure of PM meeting held now wld not exclude such meeting in the future. Such second meeting presumably wld be held in response to new SC res which wld provide new context.

g) We do not believe GOP adverse reaction to proposal of mtg now wld be as strong as indicated by FonOff. PM meeting wld cause only a brief postponement of SC discussion and might open new avenue for solution or at least test sincerity of alleged India desire for exploring new approaches for a solution.

h) Graham's preliminary reaction to suggestions in ref Deptel was favorable. Bowles and Warren also reacted favorably.

Request Emb urge FonOff and CRO review their objections in light above Dept arguments. USUN discuss above with UK Del.

ACHESON

[1] This telegram was repeated to New York (priority).

690D.91/6–2552 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET NIACT KARACHI, June 25, 1952—noon.

1563. PriMin last night talked to me about his current thinking on Kashmir. He said he had not heard from Graham this week. He feels that practically no headway has been made in the conversations now taking place in New York and with the deadline of June 26 when his del is under instructions to terminate the conversations, he is pessimistic about any practical action resulting from a SC debate. With these thoughts in mind, he told me he is calling the Cabinet together to ask approval for a compromise on the troop ratio in Kashmir on which Pak has been holding out. The suggestion he will make to his colleagues is that if Graham can prevail on the GOI to reduce their over-all troops in Kashmir to 18,000 and accept a total of 6,000 for GOP or a 3 to 1 ratio, then the GOP will withdraw its demand that the quantum of troops be based on the cease-fire ratio of Jan 1949. Shld Graham be able to obtain Indian acquiescence in this suggestion, then the Prime Minister believes it might be useful for him to meet with Nehru to work out the details of the plebiscite and the designation of the plebiscite administrator. He anticipates some further stalling in this connection but believes a mtg wld be worthwhile provided there was a prior understanding that he and Nehru had reached agreement on troop numbers. He concluded by saying that the results of the mtg between Nehru and Liaquat in the company of Sir Owen Dixon were so fruitless he wld be hesitant to enter into another mtg unless some tentative agreements had been made that wld furnish a basis for discussion. WARREN

[1] This telegram was repeated to New York and London and for information to New Delhi.

690D.91/6–2552 : Telegram

The Acting Secretary of State to the Embassy in Pakistan [1]

SECRET PRIORITY WASHINGTON, June 26, 1952—4 : 28 p. m.

1396. Re Kashmir. Emb's niact tel 1563.[2]

In view: (a) indicated intention of Pak Del in NY to stop negots with Graham on June 26 or shortly thereafter; (b) info contained in reftel indicating poss willingness Nazimuddin to consider different figure on troop quantum; (c) our understanding Graham desires Ayub stay in NY, you are requested urge Nazimuddin or Zafrulla as you see fit to direct Ayub to remain in NY for poss further negots along lines Nazimuddin has indicated GOP might be prepared to consider. You may indicates US greatly interested in Nazimuddin's consideration of new figure for troop quantum. BRUCE

[1] This telegram was repeated for information to New York.
[2] *Supra.*

690D.91/6–2652 : Telegram

The Ambassador in India (Bowles) to the Department of State[1]

SECRET NIACT NEW DELHI, June 26, 1952—4 p. m.

4815. En route New Delhi today I met Amb Warren at airport Karachi and discussed later Kashmiri, developments with him at length. I was particularly impressed and encouraged to hear of Nazimuddin's tentative suggestion made 48 hours previously to effect Pak might be willing abandon former 13 to 10 ratio on troops and to accept 3 to 1 ratio at around 18,000 to 6,000 as basis for direct negots between two PriMin's under Graham auspices.

In view possibility of direct proposal along these lines by me to Nehru in New Delhi, we agreed I shld interrupt my flight and call with Warren on Nazimuddin for further discussion. Nazimuddin agreed at once to see us and in most forthright way outlined fol position:

1. Hour is very late and Pak has no real hope for anything more tangible than further heated discussion if problem is once again dumped in lap of SC. Thus situation calls for risk taking on Pak's part if solution to be developed.

2. Speaking for himself but with strong implication Cabinet wld fully support him at its next meeting on Friday, Nazimuddin first said he believed Pak wld accept 3 to 1 ratio in valley as basis for direct discussions under fol conditions:

(*a*). That a pleb admin be set up without delay (Nazimuddin explained unless this were done Nehru might not get down to cases in spite of prior assurances).

(*b*). That pleb admin shld have power place troops wherever he thought wld best serve interests of free and uninfluenced plebiscite.

(*c*). Nazimuddin also suggested pleb admin shld have power to reduce number of troops if he felt some unnecessary, but it seemed clear he did not intend to insist on this.

3. I asked what actual figures he had in mind, Nazimuddin replied 18,000 to 6,000. I then asked if he meant to include militia now in valley in Ind figure. He replied this might add some 6,000 troops to Ind figure and leave ratio at 24,000 to 8,000.

4. After further discussion he then said he personally wld even agree to a 4 to 1 ratio and that this might mean 15,000 Ind regulars without heavy weapons and 6,000 Kashmir state militia on one side and 5250 Azad Kashmiris on other side. Both Warren and I had clear impression there was no intention to insist on Pak regulars.

5. Nazimuddin added Sheikh Abdullah position re Ind was now less clear. He said if his proposal is accepted by Cabinet and agreed to by Nehru as basis for discussion other angles of situation cld be brought out which might make Nehru's position easier. Warren and I later agreed this seemed intended to suggest possibility of partition.

---

[1] This telegram was repeated for information to London and Karachi.

Nazimuddin made it clear he was expressing only his own views but clearly implied Cabinet wld back him up. Warren told me Abdullah out of Karachi but had stated before leaving he wld agree with whatever Nazimuddin wanted to do. Nazimuddin stated he wld immediately inform Warren of Cabinet final decision and he expressed hope I cld obtain Nehru's agreement.

It is difficult to see how Nehru can turn down this proposal if it finally develops as outlined today. However, we all realize we are dealing with an unpredictable man in a highly emotional situation. Paks cld make their proposal directly to Graham fol action of Cabinet. However, in view of time element and advantage of talking directly and personally with Nehru about my visit to Nazimuddin over proposal cabled him from his rep in NY, Warren and I agree I shld initiate discussions here in New Delhi as soon as Warren gives word.

If Dept agrees I urge we be given green light so we can make most of this new opportunity. If Nehru goes along final arrangements for meeting of two PriMin's shld be handled by Graham in New York. Since I expect to hear from Warren Saturday wld appreciate Dept's reaction soonest.

I would appreciate it if Warren wld carefully check my impression of our meeting this morning, as set forth above, and immediately report to Dept and to me any points which he may feel I have not fully or accurately covered.

BOWLES

690D.91/6–2652 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, June 26, 1952—8 p. m.

1577. This morning Amb Bowles, while passing through Karachi enroute to Delhi stopped over at my request and called on PriMin Nazimuddin. In a conversation directed to the acute situation presented by the Kashmir problem and the termination of conversations in New York with Dr. Graham, the PriMin recapitulated the thinking set forth in mytel 1563 of June 25, a copy of which went to Delhi. He said further that he is holding a cab mtg tonight and will present to his colleagues a proposal that they agree to accept a ratio of troops in Kashmir prior to the plebiscite of four to one or even five to one provided India will agree in terms of quantum, this wld mean that Pak would have from 4,000 to 5,000 Azad Kashmir troops and no regular army, while India wld have 15,000 regular troops plus 6,000 state militia, or a total of 21,000 in Indian held Kashmir. In the event that India wld not agree to this figure but wld acquiesce in a total of

[1] This telegram was repeated to New York and London and for information to New Delhi.

18,000 troops plus 6,000 militia, or 24,000, then Pak wld feel they shld have 6,000 Azad Kashmir militia. If the Pak cab agrees to this concession, both with respect to ratio as well as quantum, then the PriMin is to inform me and it is our understanding he will inform Dr. Graham. I in my turn am to inform Amb Bowles.

It is our thought fol the conversation with the PriMin before Bowles left for Delhi at two p. m. this afternoon that the Dept, provided Dr. Graham agrees, authorize Bowles to approach the Govt of India with a strong recommendation that the Pak concession be accepted by India and that the two PriMins agree to meet with Graham either in Delhi or elsewhere to work out the further details leading up to the designation of the plebiscite administrator to which they are both committed to Dr. Graham once the troop quantum handicap is overcome.

WARREN

690D.91/6–2752 : Telegram

The Acting Secretary of State to the Embassy in India [1]

SECRET NIACT WASHINGTON, June 27, 1952—3 : 30 p. m.

2947. Re Kashmir. We commend initiative of Warren and Bowles in discussing with Nazimuddin possible new GOP proposals. Dept thoroughly agrees that momentum in this matter must be maintained since it considers Nazimuddin's indicated attitude currently most hopeful development in recent months. We suggest however that even at expense of appearing to lose some momentum in New Delhi, it is essential that Bowles take no action on this case until steps indicated below have been fulfilled:

1. If Pak Cabinet agrees to Nazimuddin's proposals, Warren shld urge GOP to transmit officially offer of new proposals to Graham immed.
2. We will keep in touch with Graham and as soon as he advises us of recipt GOP proposal and their transmission by him to GOI we will notify Bowles he shld proceed strongly support proposals.

We note in New Delhi's 4815 [2] Bowles indicates Nazimuddin speaks of troop ratio 3 to 1 "in valley." In Karachi's 1577 [3] Warren gives no indication that ratio relates to troops in valley only. We request such clarification on this as two posts can render since if Nazimuddin is in fact talking of troops ratio only in terms of troops in the valley, we wonder if this may not be basis for preparing our thinking along lines of partition with pleb limited to Vale only.

We urgently request views of Karachi and New Delhi whether it their understanding GOP wld make acceptance their proposals pre-

[1] This telegram was repeated to Karachi and for information to London and New York.
[2] Dated June 26, p. 1263.
[3] Dated June 26, *supra*.

condition for mtg of two PMs or whether GOP intends proposals as basis of discussion at 2 PMs mtg.

Graham has been advised of info in two reftels and has been alerted possible new communication from GOP.

BRUCE

690D.91/7–152 : Telegram

The Deputy United States Representative at the United Nations (Gross) to the Department of State

SECRET PRIORITY NEW YORK, July 1, 1952—5 p. m.

1. Re Kashmir. USUN and Fowler called on Graham, Marin and Jackson present at Graham's request.

1. Graham reported Bokhari and Ayub had called this morning, stated their month is up and inquired what Graham had to suggest.

2. From other sources Graham understands Ayub has instructions to return home.

3. Graham and Marin feel they have stalled Ayub from leaving or breaking off negotiations at least until Thurs evening and possibly until Mon or Tues.

4. Graham is anxious to have benefit US–UK views on next steps whatever outcome of current Karachi negotiations. He commented that it looked increasingly as if Nazimuddin had lost intra-govt fight. Ayub quoted Zafrullah to Graham as saying it is now essential to have something affirmative from Graham.

5. We left it we would again meet tomorrow when Graham hopes we might have out govt suggestions.

GROSS

690D.91/7–152 : Telegram

The Acting Secretary of State to the United States Mission at the United Nations

SECRET WASHINGTON, July 2, 1952—6 : 12 p. m.

4. Re Kashmir, USUN's 1 July 1. In view Graham's request for suggestions as to next steps based on assumption that Nazimuddin has lost GOP fight for his proposals we suggest Graham consider the fol line of action:

1. He make specific proposals with regard to troop quantum, the date for end demilitarization period and the date for installation of PlebAd. We suggest with regard to troop quantum the fol figures: On Indian side of cease-fire line 18–21 thousand combat troops with no armor or artillery, such troops to include the state militia. On Pak side of cease-fire line 4–6 thousand without armor and artillery but constituted from present Azad Kashmir forces. *Comment:* These figures

are suggested as bracketing a ratio approaching that suggested by Nehru (21 to 4) as being only acceptable figure to GOI. These figures also bracket the ratio of 4 to 1 which Nazimuddin himself has indicated in extremity he might be willing accept. In stipulating that forces on Pak side of line wld be Azad Kashmir troops we believe lowness of figure is compensated by better military organization of these troops. *End Comment.* With regard to dates for end of demilitarization period and installation of PlebAd we believe that since Paks are not likely to agree to troop quantum without agreement of PlebAd question, date for installation important. We recomm Sept 15 so that if we decide Kashmir case shld be taken to GA performance or non-performance on demilitarization program wld be clearly indicated in time for matter to be placed on GA agenda.

2. As of poss assistance to his negots with Pak and Indian Dels we suggest the fol amendments to his 12 point program which may warrant consideration. We do not recomm that these amendments be submitted at the same time that he submits specific proposals in para 1 above. (*a*) We suggest that in order to meet arguments possibly from both sides that over-all limitation of troops might permit unwise concentration of troops in one area i.e. in the valley or in the Pak held areas opposite Punch and Jammu.

Para 7 might be amended to read as fol:

"(*c*) On both sides of the cease-fire line: that of the forces permitted on either side of the cease-fire line under the provisions of this para or under the programme of demilitarization referred to in para nine, no more than one-half shall be stationed in any one of the provinces of Jammu, Kashmir, Gilgit, or Ladakh. This sub-para shall remain in effect unless, pursuant to paras 4 'a' and 'b' of the 5 Jan 1949 UNCIP res, the PlebAd and the UN Rep for India and Pak, in consultation with the indicated authorities, determine that final disposal of the remaining troops requires revision of this agreement."

(*b*) We suggest that in order to meet argument most likely to come from Indian Del concerning threat to security of state para 7 might be amended to have as part 2 of that para the fol:

"Further agree that if either govt believes that adjustments in the level of troops on its side of the cease-fire line shld be made in the interest of the security of the area under its control it may, at the end of the demilitarization period, but not prior to its carrying out the provisions of this para, request the UNRIP to undertake the negot of such an adjustment with the other govt, or to request the PlebAd to undertake the negot of such an adjustment pursuant to para 8 of Jan 5, 1949 res."

3. We believe specific suggestions cld be submitted to GOP and GOI in formal note from Graham asking their acceptance his proposals as a basis for discussion at a mtg at high governmental level at which these proposals and the rest of his demilitarization program

wld be discussed. He might suggest such mtg if held take place in New Delhi and indicate an early date with an intended termination date for discussions.

4. These proposals if acceptable to Graham shld not in our opinion be handed to Ayub until July 4 on assumption that we shall hear from Karachi by that date.

BRUCE

690D.91/7–252 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State[1]

SECRET NIACT KARACHI, July 2, 1952—8 p. m.

15. PriMin, with FonMin Zafrulla in attendance, received me this morning to discuss his govt's present position in Kashmir [garble]. Zafrulla did most of talking with PriMin interpolating from time to time. After reviewing non-productive negots thus far since Dr. Graham made his report last Dec, Zafrulla said Cabinet were in agreement that PriMin's statements made to Amb Bowles and me (re Delhi's 4815, June 26 and Karachi's 1577, June 26) must be recognized and receiye Cab support. Accordingly, Cab has agreed, if Dr. Graham has no further recommendations to make (they understand from latest communication he addressed to Bokhari, he is waiting on word from Delhi and Karachi fol Amb Bowles return to India, and my return to Pak), that they will offer these concessions in hope of achieving immed entrance into office of the plebiscite administrator:

1. The 6,000 militia troops in India-held Kashmir and the 3,500 northern scouts in Pakistan-held territory are to be excluded from consideration.

2. If India is prepared to reduce regular Indian troops in Indian-held Kashmir and Jammu to 15,000, Pak will accept a ratio of Azad Kashmir provincial forces of 4 to 1 and exclude any claim for Pak reg army troops in Kashmir.

3. The concession in (2) offered by Pak is subject to India's immed consideration and early acceptance, plus Indian acquiesence in immed entry into office of plebiscite administrator.

4. In communicating this offer to me, GOP gives me liberty to divulge it in confidence to Bowles, and Govt of US at its discretion to communicate it to Dr. Graham in a final report to the SC as a gesture on Pak's part. GOP feels in event an effort growing out of this offer shld fail, then it will be incumbent on Dr. Graham to submit specific proposals to the two govts relating to the maximum quantum of troops permitted to each and, on the basis of their replies, to inform the SC what he, in consultation with his mil advisors, recommends a maximum of troops of all categories to remain on both sides, in accordance with principle that in each case quantum shld not be sufficient to present a threat of aggression to the other side, nor shld it be sufficient in numbers to constitute a coercive force likely to jeopardize fairness of plebiscite.

[1] This telegram was repeated for information to London and New Delhi.

5. GOP has instructed its del in New York to break off conversations with Dr. Graham if he has no specific proposals to make to their govt setting forth a recommended quantum of troops as a prior condition to the immed entry into office of the plebiscite administrator. Zafrulla, when I asked him if this was an ultimatum, said there was no time factor involved but his govt hopes that the PriMin's suggested offer to Bowles and to me, which the Cab supports, will receive earliest possible consideration.

WARREN

690D.91/7–252 : Telegram

The Acting Secretary of State to the Embassy in Pakistan [1]

SECRET NIACT WASHINGTON, July 4, 1952—3 : 32 p. m.

31. Dept gratified at GOP willingness offer concessions in hope achieving demilitarization and entrance into office of PlebAd and regards GOP proposal as statesmanlike move. On basis urtel 15 Jul 2 and Burnett's tel to London [2] relayed to BritEmb Wash Dept assumes GOP has clearly decided against transmitting proposal to Graham either to be presented to parties as Graham's proposal or to be presented to GOI by Graham as a GOP proposal. Dept assumes GOP definitely prefers Bowles sound out Nehru on informal basis.

If foregoing assumptions correct you are auth tel Bowles immed that Dept auth (s) him see Nehru immed to present GOP offer informally for Nehru's consideration. Suggestions to Bowles re presentation fol in separate tel.

Dept understands that Jul 3 before Graham was informed by USUN of GOP proposal, Graham promised Bokhari and Ayub that on Jul 7 he wld present them with new proposals of his own. Dept presumes Graham will now postpone mtg sched for Jul 7 at least until Bowles has had opportunity transmit GOP offer to Nehru and to obtain GOI reaction.

FYI BritEmb on Jul 3 conveyed to Dept certain observations and suggestions made by FonOff and CRO re GOP proposal. Dept did not consider these very helpful or pertinent and informed BritEmb it favored immed informal transmission by Bowles to Nehru of GOP offer—assuming this was method preferred by GOP. As soon as Bowles has transmitted GOP proposal to Nehru you shld inform Zafrullah. Dept suggests that at that time you ask Zafrullah whether he intends mention this development to UK with a view to obtaining UK support for GOP proposal in New Delhi.

Dept requests you cable all pertinent devlpts priority.

BRUCE

[1] This telegram was repeated for information to London, New Delhi, and New York.

[2] Not printed.

690D.91/7–452 : Telegram

The Acting Secretary of State to the Embassy in India [1]

SECRET PRIORITY WASHINGTON, July 4, 1952—3 : 32 p. m.

41. For Amb. Re Kashmir. Re Karachi Embtel 15 July 2 rptd New Delhi 3 and Deptel 31 to Karachi rptd New Delhi 40, on receipt confirmation from Warren, you shld as soon as possible see PriMin Nehru and present GOP proposal informally for his consideration.

Dept believes it important that at time you convey GOP offer Nehru understands that offer originated with GOP, that it is entirely their idea, and you are acting in capacity of friendly messenger. In order further minimize possibility Nehru might construe offer as "gang-up" Dept believes you shld confine comment to expression of your personal view that offer deserves most serious consideration by GOI; and statement to effect that while you have not received detailed comment from Wash, Dept's initial reaction is that proposal is reasonable and offers promising possibilities.

We believe it wld be desirable that your initial informal approach to Nehru be followed by official representations in support of acceptance offer by GOI. We have no info to indicate GOP has yet informed UK of their proposal, and it is possible this deliberate.

Subsequent telegram will contain Dept's views re nature and timing ur approach conveying US Govt support.

BRUCE

[1] This telegram was repeated for information to Karachi, London, and New York.

690D.91/7–552 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, July 5, 1952—1 p. m.

23. Immediately upon receipt of Dept's nr. 31, July 4, 4 p. m., I saw PriMin and FonMin separately this a. m. They said as assumptions in para 1 are correct and understand that I am to tel Amb Bowles immediately so that under the Dept's authorization he may see Nehru on this matter. Zafrulla said that if Bowles transmits the Pakistan offer without first sounding out Nehru on his willingness to agree to the immediate appointment of the pleb administrator, there is little likelihood of GOI's acceptance of the proposal. The suggestion from both the PriMin and Zafrulla is that Bowles shld first ascertain if Nehru is willing to agree to the immed formal designation of the pleb admin, provided an agreement can be reached on the quantum of troops. If Nehru is not prepared to agree to the appointment, then the Paks are

[1] This telegram was repeated for information to London and New York.

unwilling for Bowles to present their four to one offer on troop proportions in Ind-held Kashmir and Azad Kashmir. On the other hand if Nehru expresses a willingness to agree to the pleb admins formal appointment immed, provided an agreement can be reached on troop quantum, he may then present the Pak offer. The Paks feel that if Nehru is not prepared to come down to a maximum of 15,000 (excluding the 6,000 militia) then their offer of a four to one proportion (excluding the 3,500 northern scouts) cannot be made.

Zafrulla added that in case Bowles' overtures are not successful, then the Paks feel Graham must be prepared to recommend to the SC (1) an immed formal appointment of the pleb administrator and (2) a quantum of forces at this stage to be in proportion to the cease-fire numbers as Devers may determine.

WARREN

690D.91/7–552 : Telegram

The Acting Secretary of State to the United States Mission at the United Nations [1]

SECRET WASHINGTON, July 5, 1952—2 : 53 p. m.

14. For Gross from Hickerson. Re Kashmir. In view of our plans to proceed with Pak request that we transmit GOP proposal re demilitarization and PlebAd to Nehru via Bowles and possibly obtain from Nehru agreement to proposals, we feel it important that you personally convey to Graham Monday AM our appreciation and belief this move by GOP in largest measure the result of his patient efforts to bring parties together by proposals made on their own initiative. That GOP has chosen this means of taking such initiative, we feel sure Graham appreciates, indicates GOP, intent on settling Kashmir question, decided it had to make move as Graham hoped it would, but for combination of reasons including internal political situation and general "face-saving" felt that this move should be conveyed to Nehru through informal channel.

We have undertaken this step with fullest appreciation of complications which may arise from negots proceeding in two channels simultaneously. We believe that this can be avoided by our confidentially keeping Graham fully informed of developments and, if he agrees, by his suspending his negots during these informal negots. We do not believe he need explain such suspension to either party until such time as he is informed that Bowles has presented GOP proposals to Nehru. He cld then informally say to Pak and Ind Reps in NY that he had learned that certain informal discussions on the problem had been initiated in subcontinent. He therefore wished to suspend negots in NY until outcome of discussions in subcontinent were known.

---

[1] This telegram was repeated for information to New Delhi, Karachi, and London.

Finally we wish to assure Graham that we are determined that GOP–GOI negots must return to UN forum at earliest opportunity.

BRUCE

690D.91/7–552 : Telegram

The Acting Secretary of State to the Embassy in India[1]

SECRET WASHINGTON, July 5, 1952—2:53 p. m.

42. For: the Ambassador re Kashmir. We presume you will want to keep in mind, in talking to Nehru, Dept's tel to USUN re our suggestion to Grahan. that, after he has been informed that you have presented GOP proposals to Nehru, he then informally say to Pak and Ind reps in NY that, having learned certain informal discussions on Kashmir had been initiated in subcontinent, he wishes to suspend negots in NY until outcome of discussions in subcontinent known. Assuming Graham agrees, we hope this will enable you to bring pressure to bear on Nehru to make specific reply to Pak proposals, since Graham wld in fact not be continuing negots of his own until he knew outcome of discussions in subcontinent.

If Nehru endeavors avoid responsibility of making direct reply to Pak proposal by raising question of alternative approaches to solution such as partition you shld endeavor avoid discussing alternatives until such time as Nehru has given you reply and you have transmitted this to Karachi. Dept considers it of greatest importance that in these talks you avoid any possible situation wherein it mght be alleged that you compromised GOP proposals in course of conversation with Nehru.

BRUCE

[1] This telegram was repeated for information to Karachi, London, and New York.

690D.91/7–852 : Telegram

The Ambassador in India (Bowles) to the Department of State[1]

SECRET NIACT NEW DELHI, July 8, 1952—8 p. m.

100. Met Nehru 11 a. m. Tuesday for discussion Nazimuddin proposals basis cables from Wash and Karachi. Fifty minute discussion inconclusive. Conversation proceeded along following lines:

1. I told Nehru frankly I had stopped Karachi en route Delhi that Warren informed me GOP seemed be taking most reasonable attitude towards Kashmir, that tentative proposals had been suggested and might be wise for me talk directly Nazimuddin.

2. I said that as result I had seen Nazimuddin with Warren. I reported that Nazimuddin had opened conversation by saying with great earnestness time running out on Kashmir question an Pak considering making major concessions secure agreement.

[1] This telegram was repeated for information to London and New York.

3. I stated Nazimuddin asked me if in my opinion Nehru would agree establish plebiscite administration if agreement reached on quantum forces. I had replied it my understanding GOI had always made it clear appointment of plebiscite administration would not be an issue under such circumstances and indeed Graham had so stated in his last report to SC. I asked Prime Minister if his interpretation correct.

4. Prime Minister agreed there should be no difficulty on question appointing plebiscite administration if other questions which were principally military problems were once decided. He said demilitarization could go forward promptly and there should be no delay on appointment plebiscite administrator himself. Nehru not 100 percent clear on exact timing but I believe it fair assume this not problem.

5. I then presented Nazimuddin proposition i.e. Indian regular army in Kashmir be limited 15,000 with 3,750 Azad Kashmiris on four to one basis; that 3,500 northern scouts and 6,000 Kashmir militia should not be counted; and that this proposal predicated on assumption there be no delay establishing plebiscite administration.

6. For three or four minutes Nehru did not speak. He then said Indian position quite clear.

a. 21,000 Indian regular army troops without heavy equipment (when I reminded him on occasions he had stated would go below this figure he said this quite correct but that in last month GOP had moved armored brigade into Sialkot 22 miles from City Jammu and these troops in position cut Indian's communication with valley. He stated if security situation became easier with removal this brigade as one demonstration this easing his statement that he might go below 21,000 still held good).

b. That India insisted present Azad Kashmir forces be entirely disbanded. He said, however, that it clear some force be available preserve order and therefore GOI had stated their willingness allow 2,000 regular Azad Kashmir troops be recruited for police duty with 2,000 additional police recruited other sources. He said ratios were not the way to approach problem since this implied Pak had definite rights in Kashmir which Indians had consistently denied. He stated in event plebiscite Indians would of course not enter Azad Kashmir and UN officers would be in entire control Azad Kashmir police force.

c. Although I tried pin him down he noncommittal about northern scouts and Kashmir militia. This does not necessarily mean his agreement.

7. I then made strongest possible plea for his cooperation reaching settlement. I said even though he objected Nazimuddin presenting his concessions basis troop ratio this been part discussion from beginning. Important point as I saw it was GOP seemed earnestly anxious meet him halfway. I said world covered with trouble spots which threatened peace that Kashmir one of these and that he as man dedicated peace, within his grasp tremendous opportunity demonstrate it possible through negotiation and reasonable approach ease situation such as Kashmir; that I understood tremendous complexity Kashmir situation but certainly he must agree not as complex as Germany or Korea two questions on which he often criticized us. I said I speaking solely as individual but I also speaking for many tens of millions of people

when I urged him demonstrate to world that even as difficult a problem as Kashmir subject to reasonable discussion and solution. This statement made with considerable emotion and he seemed impressed and uneasy.

8. I then said to Nehru I had responsibility reporting result my talk and asked what he wanted me say. I added I hoped if negotiations were to continue they could be handled through Graham in New York or if he wished I quite sure Graham willing return subcontinent. He stated thought proper thing do is for Graham make any recommendations to negotiating bodies New York that seemed to him be fair and with some chance success.

9. I asked Nehru if he had anything specific add this general statement since I afraid whole UN negotiations fast approaching crisis and if Graham's next efforts failed whole issue likely be back in SC. Nehru said I knew very well India had always been interested partition possibility as outlined Dixon report omitting requirement Kashmir Government should give up its sovereignty during demilitarization and plebiscite period. I stated Graham felt it impossible bring up question partition because his terms reference did not cover it and if Nehru felt this suggestion might bring solution closer he might ask his representative in New York open up question with Graham on his own directly. Nehru answered he thought everyone understood India's attitude on this that it really Paks who had turned Dixon down flatly and if they now mood discuss it they should open question. I ended discussion Kashmir with renewed plea he do everything within his own power make agreement possible. Again I pointed out Pak and India an economic unit and even though two countries would always remain independent politically they as well as world in general had everything gain in material as well as moral sense in finding solution. He stated he not discouraged that India pledged plebiscite under proper conditions.

Nehru's manner and one throughout entire conversation most pleasant and friendly. However, he definitely did not give very much and result generally disappointing. Pessimistic interpretation of meeting might be Nehru determined avoid agreement and would continue avoid coming grips with situation on general theory if it allowed drift present status Kashmir might gradually become accepted. More optimistic interpretation would be Nehru did not want be position accepting what is actually generous gesture from Pak.

Similar proposal made by Graham might succeed provided its language and implications do not run counter to GOI position that Kashmir legally part India and that plebiscite if held solely based on desire of GOI to take reasonable position and not because of any inherent right GOP. This may be hard swallow but it basic to GOI position.

We need not of course accept this GOI interpretation. But any language or proposal that fails even by implication take it into account is doomed failure. My recommendation is Graham without mentioning Pak proposal should state he more less final recommendation make to the two parties.

a. That Pak brigade be withdrawn from Sialokot and Pak army troops be kept reasonable distance from Azad Kashmir frontier.

b. That once this accepted Azad Kashmir army should be disbanded and Indian troops Kashmir reduced to 1,600.

c. That under UN direction police force be immediately organized keep in Azad Kashmir consisting 2,000 former Azad Kashmir soldiers and 2,000 recruited other sources.

d. That Kashmir military be limited 6,500 men (their strength estimated by Nehru in Parliament yesterday) and northern scouts limited no more than 3,500.

e. That plebiscite administration be immediately appointed that agreed demilitarization program be carried out under his direction and that he have power decide when situation enables fair plebiscite be held.

f. I personally like see Graham add final statement that while question partition as originally suggested by Dixon outside his jurisdiction he would be interested in attitude both GOI and GOP on question whether or not plebiscite limited to valley would make entire settlement easier achieve. Warren's judgment would be better than mine but it my guess based on talk Nazimuddin Pak would not object partition plus plebiscite in valley. Many believe GOI is bluffing on this but time running out and if it is bluff it should be called.

Whether India would accept this series proposals quite uncertain. But taken together they answer almost every question Nehru raised with me and he would be in extremely weak position if did not accept. If either or both parties refuse accept this proposal by Graham seems to me no other alternative but for him take question SC and make his report. In that case it my hope US Govt take neutral position regardless what may appear be rights wrongs case. SC vote to censure either GOP or GOI may give us sense moral righteousness otherwise it will only enable Soviet Union take advantage this situation and further to muddy waters. Resentment towards US would be great and position UN and US in either Pak or India would be seriously undermined.

As background this whole situation we should not forget that India itself in very ticklish position subject Kashmir. Few months ago most people agreed Kashmir clearly favored India and would so vote in any fair plebiscite. In recent months most observers believe there definite shift toward Pak and even stronger towards idea independence. Sheikh Abdullah statements critical India may simply have reflected his belief public moving away from India and he better move with it or his statement may be largely responsible for shift.

India cannot possibly win plebiscite in valley without solid backing Abdullah and for last several weeks Abdullah has steadfastly refused even come Delhi discuss situation with Prime Minister. As result top GOI officials negotiating with second rank Kashmiri and they frustrated and angry. Reports Abdullah's growing insistence on independent Kashmir have increased.

Nehru may now feel waters so thoroughly muddy there nothing him do but sit tight in hope situation may become more favorable. Or he might decide to take chance and use plebiscite as method whipping Abdullah into line. If Nehru stated flatly to Abdullah independence not possibility, that he morally pledged plebiscite and intends adhere this pledge, that if Pak wins plebiscite Abdullah definitely finished while if India wins Abdullah can continue enjoy semiautonomous set up within Indian Republic there might be chance his swinging Abdullah and his village to village organization again squarely favor joining India.

However, it quite possible Nehru feels damage already created by Abdullah's actions so serious that India's former position Kashmir cannot be recaptured for sometime. Exactly where this would leave India hard determine. In absence any clear solution GOI might simply adopt political drift.

I have just received telephone call from Nehru's office. He would like Mrs. Bowles and I come dinner alone July 10. This may or may not be desire continue today's discussions.

BOWLES

690D.91/7–952 : Telegram

The Acting Secretary of State to the Embassy in India [1]

SECRET NIACT WASHINGTON, July 9, 1952—7 : 11 p. m.

74. Re Kashmir, urtel 100 niact.[2]

1. We appreciate your detailed reporting conversation with Nehru and share your indicated doubts re likelihood change Nehru's probable position on GOP proposal. Nevertheless we feel opportunity provided you by your engagement Nehru July 10 might be occasion for follow-up on presentation made. You may inform Nehru that you have now received further indications from Wash that US regards GOP offer as reasonable and encouraging.

2. We believe follow-up shld cover fol points:

a. Expression your hope that Nehru has given further consideration to GOP proposal and is prepared indicate what may be nature his reply to be conveyed by you to GOP.

b. You firmly believe that GOP proposal eminently just and reasonable. You might indicate at your discretion that, while we do not know what Dr. Graham may indicate on subj troop quantum in forthcoming report, we wld find it most difficult, shld he indicate troop quantum along lines GOP has privately put to Indians, not support in SC such figures as mtg GOI's previous position re quantum more than half-way.

c. GOI's insistence on absolute disbandment Azad–Kashmir forces is not part UNCIP agreement. To bargain for this is of course GOI

---

[1] This telegram was repeated for information to Karachi, London, and New York.

[2] *Supra.*

privilege, but insist upon it is, in our opinion, not consistent with what we understand be Indian willingness to carry out the UNCIP ress. At same time, since Nehru does appreciate that some forces must be available too preserve order in Azad–Kashmiri occupied areas, he surely must also appreciate that experienced mil forces wld be more effective in assuring order and security of area.

d. We honestly can not see ratio in any way reflects on either Indian or Pak rights to Kashmir. US for its part believes that ratio so far as GOP proposal is concerned was coincidental with GOP desire meet GOI's highly disproportionate figures. While as we see it nothing is to be gained by long legal discussion at this point on Indian rights in Kashmir, we believe attitude most likely induce settlement problem is to assume that rights respective govts pending settlement of question exist only in areas of physical occupation and that commitment of 2 govts to resolve Kashmir through UN limits their auth over the other part of the state to the provisions of UNCIP ress and the SC ress on the problem.

e. Re Nehru's remarks concerning Pak Armoured Brigade at Sialkot, (Dept has no info this movement), you might indicate Nehru that it wld be reasonable expect, once agreement reached on basis GOP offer, demilitarization in Kashmir wld not be vitiated by existence army formation in threatening positions outside but on borders state. You may add it is self-evident that interests GOP wld obviously be adversely affected by any mil move against Kashmir or India.

3. Basic objective this further discussion is that you obtain from Nehru reply which you may convey GOP.

4. We urge you to repeat effective presentation which you made to Nehru in para 7 of urtel. While you shld avoid any discussion alternatives (see Deptel 42 July 5) at least until GOP given Nehru's answer their proposal, if Nehru reiterates view GOP shld initiate any steps re alternative solutions, you mght indicate belief Nehru has stature and world position warranting taking such initiative. If he bases reluctance take such step on allegation GOP rejected Dixon proposal for partition and Pleb in Vale you mght indicate we under impression from Dixon's report to SC Nehru rejected it because he cld not agree Dixon's minimum suggestions for administrative arrangements in Vale necessary for conducting fair Pleb i.e. steps to reduce Abdullah's polit control peoples in Vale.

5. FYI re your comments and suggestions: (*a*) we will advise Graham informally of your suggested figures re quantity and nature of troops; (*b*) in absence of initiative by either GOI or GOP in raising subj partition with Pleb in Vale, we do not believe Graham shld be urged to add final statement on subj in report to SC; (*c*) as we have already indicated to you we agree that there is nothing to be gained in an SC res which censures either party. However, depending on nature of Graham's report, it wld seem inevitable course for US indicate general support for what Dr. Graham wld recommend, even at possible risk of pointing a finger.

BRUCE

690D.91/7–1152 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET NIACT NEW DELHI, July 11, 1952—7 p. m.

155. I talked with Nehru and again brought up subj Kashmir altho with some reluctance because I had clear impression he did not want carry on his conversation any further with me after our first mts. However, I stated I had done great deal thinking about our conv and again wanted urge him examine Pak's attitude with greatest care. I emphasized proposal itself long step towards his own position and he must agree GOP seemed genuinely anxious settle this problem.

I then stressed gain to whole world if this Kashmir dispute cld be ended and particularly gain to India in her efforts push forward five-year plan. Nehru perfectly pleasant but did not give. He stated he felt any further discussions shld come thru Graham New York and rptd that his own position been clearly stated; that he cld not move from it; and that he did not think presence Pak armored div Sialkot represented whole-hearted desire part Pak Govt for settlement. I did not tell him this brigade withdrawn because it my understanding from Karachi it replaced by other troops.

I personally believe our next move must be thru Graham and that Graham shld make definite recommendation to two parties with no ref Nazimuddin informal discussions with Warren and me. Our only hope this stage which may well be last stage as far as UN concerned is for Graham offer Nehru and GOP proposal so close Nehru's own professed ideas that he must accept or appear before world as sole obstacle Kashmir peace.

Nehru acting wholly unreasonable manner and probably will continue do so. But there chance proposal along lines prev tel presented in language that does not run counter legal position GOI persists maintaining may still force him accept.

Nehru definitely hopes whole sitn can be made go away. That way he resists talking to me. But he clearly conscious his position weak and knowledge in event failure Graham wld present full record security council and that he will be forced into most uncomfortable and unprincipled position before world might conceivably do trick.

It my guess Nazimuddin may be willing go even further than his offer to Warren and me; first because he confident he can win plebiscite; and second because he knows that if Nehru turns down offer publicly GOP will be in strong position.

On question 4,000 Azad Kashmiri forces, I believe Nehru in keeping his concern for legal appearances is more interested symbols than realities. In other words 2,000 Kashmiris cld [be] demobilized 10 a.m.

[1] This telegram was repeated to London, Karachi, and New York.

and recruited as police 10 : 10 a. m. the other 2,000 re his stand wld have to be recruited from local police etc.

Sheik Abdullah is at last coming Delhi Monday for conv with Nehru. Nazimuddin offer probably speeded up this mtg.

Needless say we bitterly disappointed way this sitn has developed.

BOWLES

690D.91/7–1152 : Telegram

The Secretary of State to the Embassy in India [1]

SECRET PRIORITY WASHINGTON, July 11, 1952—6:28 p. m.

104. While Dept realizes Nehru's remarks (urtel 155)[2] probably constitute rejection Pak proposals, it is not clear whether Nehru gave you a specific answer to transmit Karachi. If Nehru authd you transmit substance of his remarks to Karachi Dept assumes your approach is terminated and Warren may now convey msg to PM. On other hand if Nehru did not specifically indicate reply to be transmitted Dept suggests in your discretion you see Nehru again and ask him what he wld like you to report back to Karachi. While this may not affect his apparent position it will serve purpose impressing further upon him seriousness his failure respond to a generous offer. Likewise in view great importance these talks it is essential record be clear. As you aware Graham not expected proceed with his negots until such time as your approach completed.

ACHESON

[1] This telegram was repeated for information to Karachi (priority), London, and New York.

[2] *Supra.*

690D.91/7–1252 : Telegram

The Chargé in Pakistan (Perkins) to the Department of State [1]

SECRET NIACT KARACHI, July 12, 1952—1 p. m.

60. Re Delhi's 155 of July 11 to Dept. PriMin requested me call on him this A. M. and asked for news from Delhi re Kashmir. I informed him Amb Bowles had had second conversation with Nehru in which latter stated there had been no change in his own position, and that he felt any further discussions shld come thru Graham in NY. Nazimuddin said he was deeply disappointed because "I really think I made Nehru a very sporting offer."

I have also talked to Zafrulla on subj, at his request. He said he had yesterday recd a "most disturbing" msg from Bokhari who quoted Graham to the effect he had been preparing to present concrete proposals of his own re troop question and induction of pleb adminis-

[1] This telegram was repeated to New Delhi, London, and New York.

trator into office, when "negots" were undertaken in the subcontinent which "short circuited" him and made it impossible for him to proceed.

Zafrulla said he hoped Dept wld clear up Graham's misconceptions concerning the informal "explorations" which have been in progress in Delhi and Karachi and explain to him the circumstances in which they had been undertaken. He also hoped the US wld urge Graham to "get on with it" now that Nehru had clearly turned down the Pak proposal and to present his own "concrete proposals to the two parties without delay". If both parties accepted Graham proposals, the Fon-Min said, negots cld go on from there. If either party rejected them, Graham wld then have to report failure to SC.

PERKINS

690D.91/7–1452 : Telegram

The Secretary of State to the United States Mission at the United Nations

SECRET WASHINGTON, July 14, 1952—6:29 p. m.

26. Re Kashmir re Deptel 4 July 2; New Delhi's 155 July 11; and Karachi's 60, July 12.

1. Barring receipt by noon July 15 tel from Bowles indicating any other possible course of action we believe it desirable Graham proceed with his own proposals. We hope he will give serious consideration incorporating our suggested figures re quantum in Deptel 4 and our proposal following.

2. Nehru's comments in two talks with Bowles lead us to believe Graham shld be prepared make specific proposal to remove Nehru's alleged concern for assuring security of entire State. While we do not accept GOI position that they are entitled to allege or exercise sovereignty over entire State and cannot insist on complete disbandment Azad Kashmir forces since this not required under either UNCIP res, we suggest that Graham consider sounding out Pak Del on acceptability following proposal as follow-up to quantum proposals in event Indians raise matter of State's security:

A. Pursuant to this authority under SC res of Mar 30, 1951 and Part II of A 3 of UNCIP res of Aug 13, 1948, Graham will assume right of "surveillance" over Azad Kashmir upon coming into effect at final stage of demil program. Under this procedure he intends that all military forces in State on Pak side cease fire line will be under command his Military Adviser.

B. Military Adviser will assume command on date agreed upon by parties as date all regular Pak forces are out of State. He will then proceed supervise reduction of remaining forces as agreed upon by parties.

C. GOP will arrange for assuring that Azad Kashmir Govt will agree to accepting putting into effect of two preceding paras.

3. Nehru's repeated indication that any further negots shld be in New York through Graham is, in our opinion, opportunity for Graham to make proposals to parties. While such proposals might be made as basis for discussions at ministerial level, we believe they shld be put forward in initial instance for approval or comment by Pak and Indian Dels in NY. We believe suggestion by Graham that negots by parties be at different level and different place might if made too early give Nehru opportunity to get off hook re his suggestion to Bowles.

ACHESON

690D.91/7–1552 : Telegram

The Deputy United States Representative at the United Nations (Gross) to the Department of State

SECRET NEW YORK, July 15, 1952—12:34 p.m.

40. Re Kashmir—(for limited Dept distribution). Substance Deptel 26 [1] given to Jackson of Graham's staff.

1. Bokhari and Ayub (Pak) are seeing Graham this a.m. to deliver message from Karachi stating that GOP thinks next move is up to Graham. (Jackson had forecast of this message last night from Ayub.) Graham plans to call joint mtg of parties for late today or tomorrow a. m. He will suggest higher level mtg at Geneva or other mutually agreeable spot at which he will make specific proposal (bracketed figures for quantum; plebad induction 90 days after signing demilitarization agreement). He will propose mtg should run eight days, with possibility of another eight if necessary. Subsequent to joint mtg, he will indicate separately and privately to parties general tenor of what he has in mind. He does not plan to make formal proposal prior to ministerial mtg, since he and staff fear that one party or the other might either reject proposal and mtg or take proposal and go direct to SC.

2. We said decisions were of course for Graham himself to make, but since he had asked for our views on tactics we felt obliged to give them. We set forth views contained in para 3 of reftel, and recalled Nehru's comments on next steps as quoted in New Delhi's 155 and 100.[2] We raised possibility that Paks would go through roof if suggestion made for further negotiation, particularly out of NY, without any specific proposal being advanced as basis for this negotiation.

3. Jackson replied these points had been carefully considered by Graham and staff. On other side of scales, they have intimations from Ayub that Karachi would not necessarily demand details before going in to ministerial mtg, and repeated references by Indian del to desir-

[1] *Supra.*

[2] Dated July 11 and 8, pp. 1278 and 1272, respectively.

ability of mtg in Geneva. Graham feels it essential to get away from post box operation here and move into negotiations with reps who are responsible and who can talk informally without clearing every word with capitals. In any case, Jackson said, this is first move in new phase, not last: If either party asks for discussion here on new proposal, Graham might begin with this as preparation for further discussions on ministerial level. He also has in mind possibility of moving on from ministers to PM's if situation develops.

4. On next steps after making of quantum proposal we recapitulated Dept's suggestions in paras 2(*a*) and (*b*) of Deptel 4, and suggested how they might tie in with new proposal in Deptel 26. Jackson said these ideas fitted in rather well with ideas they had been thinking about. He thought they would prove helpful in further negotiations.

GROSS

357.AB/7–1752

Memorandum by the Deputy Assistant Secretary of State for United Nations Affairs (Sandifer) to the Secretary of State [1]

SECRET

[WASHINGTON,] July 17, 1952.

Subject: Present Status of the Kashmir Dispute

On July 16, Dr. Graham proposed to the United Nations Delegations of Pakistan and India that their two governments designate representatives at the Ministerial level to meet with him in Geneva in an effort to reach formal agreement on a demilitarization program for Kashmir.[2] Dr. Graham proposes that, at the meeting which would start the last week in July, he would submit to the two governments a draft agreement for their approval. This draft agreement would incorporate the points of Dr. Graham's demilitarization program to which, as a result of past negotiation, the two governments have agreed. It would also include Dr. Graham's suggestions concerning the number and the nature of troops which should remain on each side of the present cease-fire line at the end of the demilitarization period, and would establish the date when the Plebiscite Administrator Designate (Admiral Nimitz) would be installed and would commence preparations for the Plebiscite. Dr. Graham is proposing with regard to the troops question that the Indian forces be established at a figure between twelve and eighteen thousand troops and the troops on the Pakistan side of the cease-fire line be established at a figure of three and six thousand.

As you know, Pakistan recently submitted a proposal of its own to Nehru through Ambassador Bowles concerning the level of troops. We believed that the Pakistan offer which provided for approximately

[1] Sent through the Executive Secretariat.

[2] See UN doc. S/2783.

the same ratio of troops in favor of India, but which required the immediate installation of the Plebiscite Administrator, was reasonable. Ambassador Bowles pressed Nehru for a favorable reply. Nehru refused to discuss the proposal, maintained the previous Indian position on the number and the nature of troops, and suggested that negotiations between the two governments continue through Dr. Graham.

In the event that Dr. Graham's new effort fails we presume that the Kashmir question will be the subject of early consideration by the Security Council at which time we and the British will undoubtedly be under pressure from Pakistan for an Article 37 resolution (whereby the Council recommends "Such terms of settlement as it may consider appropriate"). In the debate we will, of course, be largely governed by Dr. Graham's recommendations, and our consultations with the United Kingdom.

Editorial Note

Graham stated on July 31, 1952 that India and Pakistan had agreed to a ministerial-level conference of representatives of the two governments, under the auspices of the United Nations Representative for India and Pakistan at the European office of the United Nations in Geneva, beginning August 25. (UN doc. S/2727) The meetings were held between August 26 and September 10.

690D.91/8–152 : Telegram

The Acting Secretary of State to the Embassy in Pakistan[1]

SECRET WASHINGTON, August 1, 1952—6:35 p. m.

173. Re Kashmir. Graham has informed Dept he wld be happy if in event US Ambs Karachi New Delhi are asked their views re his July 16 proposals (reftel 87 Karachi 151 New Delhi and 359 to London)[2] they wld say US Govt fully supports such and hopes parties will accept. Graham wld welcome same support UKHICOM both capitals.

Graham doubtful now is time formal representations but may ask for such after Geneva mtg set Aug 25 begins.

BRUCE

[1] This telegram was repeated to New Delhi and for information to London.

[2] The Department's telegram 87 to Karachi, repeated as 151 to New Delhi and 359 to London, transmitted Graham's statement to the Delegations of India and Pakistan in the joint meeting on July 16 at UN headquarters and Graham's revised draft proposals for an agreement on demilitarization (357.AB/7–1652). The texts of these documents were originally sent to the Department by the U.S. Mission at the United Nations in telegrams 47 and 48 from New York, July 16 (357.AB/7–1652). See Graham's fourth report to the Security Council, Sept. 16, 1952 (UN doc. S/2783).

690D.91/8–552 : Telegram

The Ambassador in Pakistan (Warren) to the Secretary of State[1]

SECRET KARACHI, August 5, 1952—3 p.m.

173. Re Deptel 173, August 1. It occurs to me it might be useful if US Ambassadors and UK HICOMs, Karachi and Delhi, were to indicate to Pakistan and Indian FonMins their respective govt's support of Graham proposals before the two dels leave for Geneva, at a time when they will presumably be receiving their instructions.

WARREN

[1] This telegram was repeated for information to New Delhi as telegram 28 and to London as 13.

690D.91/8–852 : Telegram

The Ambassador in India (Bowles) to the Department of State[1]

SECRET NEW DELHI, August 8, 1952—5 p. m.

562. I have considered suggestion made in Karachi's tel 173 to Dept, rptd Delhi 28,[2] in response Deptel 173 to Karachi, rptd Delhi 325, and have formed conclusion less said here now the better. In any case I doubt whether representations wld influence Nehru who has decided views on issues, which he has already anticipated in recent parliamentary debates. Therefore, as far as Ind concerned I suggest problem be left with Graham and US for time being.

BOWLES

[1] This telegram was repeated for information to Karachi and London.
[2] *Supra.*

690D.91/8–552 : Telegram

The Secretary of State to the Embassy in India[1]

SECRET WASHINGTON, August 12, 1952—6:08 p. m.

422. Dept believes it wld be desirable in ur discretion informally indicate govt to which accredited that you have recd msg from ur govt expressing its gratification that two govts have decided send mins to meet with Graham in Geneva and its earnest hope mtg may have fruitful result. Re Karachi tel 173 Aug 5 rptd New Delhi 28 and New Delhi tel 562 Aug 8 rptd Karachi 24.

Dept believes failure express views along above line might lead misunderstanding US attitude toward Geneva mtg.

ACHESON

[1] This telegram was repeated as telegram 239 to Karachi and for information to London and New York.

690D.91/8–1552 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State[1]

SECRET KARACHI, August 15, 1952—3 p. m.

214. Last night I delivered orally to FonMin msg in Deptel 239 Aug 12.[2] Zafrulla expressed his pleasure and at same time his doubts that Geneva mtg will achieve any marked success. He said his own intention is to support Graham's proposals with complete sincerity and to the limit. He has obtained from Cab approval to negotiate on minimum figs for both sides mentioned in Graham's invitation.

He added as last thought hope that Pres and UK PriMin will express their interest in a succeseful mtg shld there be indication of it going on rocks.

This morning when UK HICOM talked with me at our usual weekly mtg he said Zafrulla had mentioned to him last night my message and that Laithwaite on his own had expressed gratification that two govts have decided to send Mins to Geneva. He added it is his own personal hope that the conf may have successful results. In commenting this morning on his conversation with Zafrulla, Laithwaite said he did not feel free to mention his govt org GOI. Zafrulla in talking with him had expressed more or less same thoughts he had given me earlier in evening.

WARREN

[1] This telegram was repeated for information to New Delhi and New York.
[2] The same as telegram 422 to New Delhi, *supra*.

690D.91/8–2652 : Telegram

The Acting Secretary of State to the Consulate General at Geneva[1]

SECRET WASHINGTON, August 26, 1952—6:38 p. m.

126. Re Kashmir talks. Approach Dr. Graham soonest to assure him US readiness assist in any manner he may request and to ascertain discreetly progress of talks. If timing necessitates, requests for assistance shld be sent Dept niact, info re talks priority.[2]

BRUCE

[1] This telegram as repeated for information to New York.
[2] Consul General Ward replied that Graham on Aug. 27 expressed appreciation for the Department's offer of assistance, adding that it was too early to tell whether he would wish to request any assistance. "On progress of talks," Ward reported, "Graham said he had for first time gotten the two parties into same room and that 'they are talking.'" (Telegram 118 from Geneva Aug. 28, 690D.91/8–2852)

Editorial Note

Dr. Graham submitted his fourth report to the Security Council on September 16, 1952, concerning negotiations in New York carried out in agreement with the two governments from May 16 to July 16, 1952 and the conference at the ministerial level in Geneva from August 26 to September 10, 1952 (UN doc. S/2783).

690D.91/9–2452 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, September 24, 1952— 5 p. m.

1291. Visited Kashmir first time for badly needed week's rest. Just before leaving for Delhi Sunday Mrs. Bowles and I, two our children, invited informal family luncheon by Sheikh Abdullah and his family. After luncheon Sheikh Abdullah talked with me for hour and half going over Kashmir sitn great detail. During this conversation he made fol points:

1. His opinion there no doubt but that India wld win pleb in valley by large majority. He bases conviction on land reform, debt reforms, strengthening public school systems, erection village grain banks, new irrigation work and fact that altho Kashmir very poor average cultivation better off than any time during last several years plus bitterness created by raiders in 1947. He stated under land reform land ownership had increased from 10,000 to 800,000 in last three years and over 80 percent loan rural debt wiped out some by negots and some by decisions panels which have now covered all Kashmir not occupied by Pak.

Any individual short-term judgment must necessarily be superficial. However, it my guess people dependent upon tourist trade Srinagar wld vote for Pak despite fact tourist trade increased this year 50 percent but that Abdullah right saying sizable majority village people wld vote to establish permanent relationship with India.

2. Abdullah made clear he totally committed to India and his convictions on subj go very deep. He stated Jinnah had done profound disservice to subcontinent by creating conditions which made partition inevitable. He stated altho he devout Muslim he believed no one religion shld form basis any govt as now in Pakistan.

3. However, he implied several occasions criticism of not only Pak but India in handling negots at UN. He stated Kashmir had become pawn in struggle between India and Pak and views and rights Kashmiri people being disregarded.

4. I asked him if he saw any solution present impasse. He stated emphatically his opinion it up to US and [*to*?] move into sitn and negotiate directly with Pak and India. He stated felt past negots demonstrated there cld be no solution long as discussions limited to quantum forces. He stated whole subject must be opened up and every considerable solution examined. When I asked him suggest kind solutions might

[1] Not printed.

be possible he put at top list old proposal partition, Azad–Kashmir going to Pak, Jammu to India with pleb in valley. He added there several variations.

Said he wld also like see some consideration setting up Kashmir as semi-autonomous state for ten-year period with free access both Pak and India and guaranteed by UN. I asked him if he thought India wld agree such proposal and he stated did not know but felt time had come try everything. Added he welcomed direct discussion between Azad–Kashmiri and his own govt on chance some formula might develop which they cld in turn propose to India and Pak.

Sheikh Abdullah's proposals with exception partition with pleb in valley all sounded more emotional than rational. He disturbed over fact Kashmir continues remain suspended mid-air that he cannot get capital into country or do something he believes needs doing.

It my present opinion direct negots on part UK and US with GOP and GOI wld be fruitless. However, I may have some specific suggestions after discussions I will hold this week with Ayyangar, PriMin and others.[1]

BOWLES

[1] The Department replied on Sept. 26 as follows:

"Appreciate ur report interesting comments Abdullah urtel 1291. In ur discussions with GOI officials believe you might refer our distress over failure recent Geneva discussions and reports that Ind Reps offered no suggestions whatsoever. We wld be interested in knowing views those officials with whom you will be talking re nature and probable Ind position in SC consideration Graham report. Hope you will avoid giving impression US is thinking along line other than full support SC consideration as next step. Starting pt will be Graham report." (Telegram 927 to New Delhi, Sept. 26; 690D.91/9–2452)

690D.91/9–2652: Telegram

The Ambassador in Pakistan (Warren) to the Department of State[1]

SECRET NIACT KARACHI, September 26, 1952—8 p. m.

486. 1. FonMin, who on his return to Karachi last night from the Geneva conf on Kashmir, held an unspectacular press conf ref Weeka . . . Sept 28,[2] today asked me to come see him before he reported to PriMin his conclusions and recommendations.

2. Zafrulla said Graham worked hard during the two weeks in Geneva to bring about agreement between India and Pak on the disputed issues and altogether presented four proposals: Two referring to numerical troop reductions and two presenting formulae for troop dispositions. Pak accepted all of these proposals but Indian delegation rejected them all.

3. Then it was suggested by Indian delegate Ayyangar that he and Zafrulla should meet privately to see if they could reach an understanding on disputed issues. Zafrulla said to him "Tell me what it is

[1] This telegram was repeated for information to London and New York.
[2] Not printed. Ellipsis appears in the source text.

you fear from Pak: (*a*) Do you fear a Pak attack on Kashmir or an attack on India, which would be suicidal; (*b*) Do you fear an attack by the tribesmen on Kashmir either instigated by Pak or made because GOP is unable to control tribal activities; or (*c*) An attack by Azad Kashmir men officially demobilized by Pak but who are actually in possession of clandestine arms?" Ayyangar replied he held no such fears. Then queried Zafrulla tell me what you propose because I have authority to consider any proposals you may make. After an hour of shilly shallying Ayyangar told Zafrulla "the truth is I have no authority to negotiate." He said Nehru has insisted that only he could make decisions for India and that the Indian delegation had gone to Geneva to learn what offers Pak was prepared to make and what propositions Graham would offer that could be acceptable to India without requiring concessions from her.

The truth as I see it, said Zafrulla, is that India hoped to get out of the Geneva conf acquiesence by Pak in the principle that in addition to the number of troops on each side necessary to maintain internal security and insure a correct observance of the cease-fire line, there should remain also in India-held Kashmir sufficient troops to be at the disposal of the Kashmir Govt and not at the option of the plebiscite admin to offset any political risks. This, said Zafrulla, we could not agree to. We did agree to the minimum troops to be determined jointly as the number necessary to maintain internal security in India-held Kashmir and Azad Kashmir, and to preserve the integrity of the cease-fire line, if India agreed to these two conditions we were prepared also to agree that the disposal of troops on each side should be determined not absolutely by the plebiscite administrator but in consultation with local authorities. Doctor Graham had advanced the opinion that such a concession by Pak would still be in line with the terms of the resolutions on which the conf was called, but the Indians did not agree to it.

FYI only, Zafrulla then proceeded to outline to me the recommendation he intends to make to the PriMin and the Cabinet for future action by Pak.

His understanding is that the major powers, except Russia and satellites, are prepared in the forthcoming session of the Gen Assembly to hold in abeyance debates on substantive matters until after the American elections. In this three week interval he believes it may be useful for the SC to take up the Graham report, which is not a matter of substantive consideration by all the powers, and reach a decision. He will suggest to the PriMin that Pak support Doctor Graham's report on the Geneva conf and pay tribute to his sustained efforts and strong endeavor to reach an agreement between the parties. He will then recommend in the name of Pak that the SC support the proposals either with respect to specific number of troops or the acceptance of their formulae and call on the two countries to proceed with the withdrawal of their

forces either by the terms of the formula or an agreed quantity in order that the appointment of the plebiscite admin can be made before the end of the year. If this should be done, then in the succeeding 90 days necessary steps could be taken that would permit the holding of the plebiscite at the end of March or the beginning of April 1953, which seasonally would be the most desirable period for this kind of political action in Kashmir.

WARREN

690D.91/10–252 : Telegram

The Ambassador in India (Bowles) to the Department of State[1]

SECRET NEW DELHI, October 2, 1952—7 p. m.

1408. In last two days fol my talks Sheikh Abdullah Sringar, have had two talks with Ayyangar and two talks Pak High Comm lasting total several hours.

1. Ayyangar stated were two major roadblocks at Geneva which made agreement this stage impossible.

a. Unwillingness GOP accept what GOI believes be its legal position Kashmir, i.e., Kashmir legally acceded to Ind in Oct 1947; Pak committed act of clear aggression in first allowing invasion by tribesmen and later invasion of Pak troops. According Ayyangar Graham seemed clearly aware problem but GOP insists on language which wld jeopardize GOI moral position and which Ind cannot accept.

b. Situation made doubly difficult by Graham's unwillingness depart in even slightest degree from strict wording of his terms of ref, i.e., discussion of dev is based on assumption of plebiscite covering all Kashmir and Jammu.

2. Ayyangar stated his first talk with Zafrullah had been most encouraging and he felt he making substantial progress in arriving at agreement on principles which might later have been translated into more specific terms. Ayyangar reported that during his two-day absence from Geneva to visit GOI Min at Bern, Zafrullah's attitude changed sharply presumably on instruction his govt.

3. Ayyangar stated had made two attempts broaden basis for discussions and open possible channels for agreement. First occasion in gen mtg [garble] quickly picked up Ayyangar's suggestion of broadening of discussions but Graham stated flatly his terms of ref clear and was only one question he was prepared discuss, i.e., quantum forces, etc, on basis of overall plebiscite.

Second occasion, according Ayyangar, was in private discussion with Graham. Graham stated he deeply disappointed find that his mission appeared be headed for failure. Ayyangar reported he told Graham his "failure" was only in very narrow field, i.e., effort secure agreement on restricted basis prescribed by SC, and that broader effort might be more successful.

---

[1] This telegram was repeated for information to Karachi as telegram 49 and to London as 68.

According Ayyangar, Graham asked how he felt problem shld be approached. Ayyangar answered Graham shld ask each party list in brief memo every possible approach solution which it felt worthy discussion. Stated that he, Ayyangar, cld immed list at least four or five possibilities. Said if he were Graham's place wld then compare two lists, select proposal on which seemed be widest agreement and explore that fully with both parties. If this failed wld then move on to next possibility.

According Ayyangar, Graham said unfortunately he cld not open up broader discussion subject because felt conscientiously bound stick tightly within instructions from SC.

Ayyangar stated he hoped Graham wld ask for authority make another attempt negot agreement with no limitations. Graham stated that while wld not like to see his whole effort end failure, he most reluctant seem appear anxious hang on to his job.

4. I asked Ayyangar if wld care list "four or five possible solutions" which had in mind. Offered only Indian adaptation old Dixon proposal for partition wld give Azad–Kashmir to Pak, Jammu to Ind and limit plebiscite to valley. He stated emphatically that in his opinion this by far most practical approach to whole question. I asked him tell how he felt this wld ease argument on mil forces, pointing out that even if plebiscite were limited in scope, GOP wld inevitably question number of troops that GOI wld want maintain in valley.

Ayyangar replied that this approach wld immed do away with old argument on ratios which implied that two nations had equal right in Kashmir and which therefore created insurmountable problems for GOI. He also reminded me that Nehru had stated on two or three occasions that wld be willing to go below 21,000 plus 6,000 militia if conditions enough justify such reduction.

I said that in my talks with people in Kashmir, I had been told conditions were far easier than at any previous time, that there was no sign of trouble between two armies on cease-fire line and in gen seemed me atmosphere was now such that GOI shld be prepared make whatever reductions it had in mind.

Ayyangar did not reply directly but went on point out that cld be no valid objection to GOI troops in valley if they did not influence vote and any possibility of influence cld be eliminated thru plebiscite admin right to place these troops wherever he wished. He wld obviously place them in mts, well out of valley.

Ayyangar did not outline other proposals he said he had in mind.

5. I asked Ayyangar if was sure Ind wld win plebiscite in valley. He replied that since agreement with Sheikh Abdullah, there was no doubt in his mind. I asked if it not likely that Sheikh Abdullah's influence now at its peak. I said that reforms which Sheikh had put thru for cultivators had won him strong support but also pointed out gratitude rarely lasted for any length time and even tho people were somewhat better off, there was likely be steady growth opposition to any govt. I stated that longer disagreement continues, more restless people in Srinagar, who are dependent on deflated tourist industry, are likely become. I added that bitterness against Pak raiders for their excesses wld probably grow less and less as time progressed, and suggested that from Ind's point of view, the sooner pleb occurred the stronger its position might be. Ayyangar was non-committal but did not disagree.

The GOI position in Kashmir is, of course, very complex and I disagree with those who oversimplify problem by stating situation based solely on Ind intransigence and desire avoid pleb and maintain *status quo*. Ind is by no means in a comfortable position. Is under considerable pressure from Kashmir govt and is most sensitive to our opinion and that of other nations.

Dept will make profound mistake if underestimates Ind honest and fundamental conviction that she legally and morally right and Pak legally and morally wrong. Regardless our own judgments this matter, Ind feel deeply on this point and will steadfastly refuse allow their position be undermined in any way. Ayyangar discussed this point with some feeling with Tom Finletter and me on courtesy call last week. He underlined it again in talk with me yesterday. With utmost emphasis he said if Pak had any honest legal position in Kashmir, it wld have long since taken its case to World Court. Stated he wld be delighted to present Ind's case before Court if Ind was challenged and that had no doubt whatsoever of outcome. Is clear, of course, that GOI not anxious to hold pleb until it reasonably confident of winning in spite of my effort to persuade they undoubtedly feel that year from today their position will be stronger than today.

I do not know whether they are sincere on question of partition, pleb or not. I can only report that this subject comes into every conversation and hence wld appear most difficult for Ind to back away from this concept if were proposed on reasonable basis. You will note that Ayyangar's suggestion that each nation be asked to write down on paper whatever proposals it feels might lead to settlement is identical with Abdullah's suggestion to me in Srinagar ten days ago.

Obviously Abdullah borrowed the idea from Ayyangar with whom he talked at the Indo Red Conf.

My two talks with Pak High Com Mohammed Ismail, who is about leave Ind, were interesting and may possibly be constructive. Mohammed Ismail is man of integrity and good friend of ours. He is also good friend of Ind and told me over and over again of his ardent desire for Kashmir settlement and his desire do everything possible contribute toward agreement. In our two conversations fol points emerged.

1. I brought up possibility of partition without in any way crediting it to Indians, but simply based on my reading of Dixon report. Mohammed Ismail stated unequivocally that in his opinion partition along lines we had previously discussed offered by far best opportunity for settlement. Stated that some time ago question of partition had been discussed on most confidential basis between him and unnamed GOI Cabinet Minister. He said Dixon picked up idea and was in process of putting it into form for discussion when leak occurred and both govts were immed placed under heavy pressure.

He stated that provision that Sheikh Abdullah's govt shld turn

over power to UN six months before pleb was fruitless effort ease problems of GOP, but he added that background was such that no agreement was possible at that time. He pointed out that at that time fighting was still going on and situation is much more favorable today for reexamination of possibility.

I stated I thought at one time Ind Govt had seemed favorable to this approach but they seemed hesitant because their feeling it might not be acceptable to GOP and Graham had been unable take it up because his terms of ref. Mohammed Ismail stated he thought this unfortunate and hoped some way wld be found bring this approach into open.

2. Mohammed Ismail then asked for my frank blunt evaluation of GOP position and what specifically I wld do if I were responsible for GOP policy. I stated in my personal opinion GOI had taken rather legalistic approach all along and they wld undoubtedly continue maintain their legal rights in Kashmir and resent any challenge to this position.

I added my opinion that GOP foolish attempt to outdo GOI in this area.

Emphasized that GOI position on question their primary legal right in Kashmir was adamant; no arguments cld change this; wisest thing do was avoid this issue and concentrate on guts of problem i.e. how cld GOP get fair, honest pleb without further loss of time.

I suggested that GOP had every practical reason for holding pleb soonest. Pointed out longer Abdullah Govt remained in power, stronger GOI position likely get. Reminded him of rupees 10 croces five year economic program for Kashmir on which Ind Govt about embark and stated this wld undoubtedly tend improve Ind position (I added that we making no contribution whatever this economic program).

I said since he asked me talk frankly, I wld suggest GOP forego legal arguments and technicalities and take whatever forthright steps necessary bring about agreement on pleb. Added that as practical matter, I did not see why mattered GOP whether GOI had 10,000 troops in valley or 30,000 provided they were definitely out of sight and in no position influence pleb directly or indirectly.

I stated that GOP shld concentrate on making sure plebiscite wld be fair without advantage either side and that fair pleb wld depend not only on ability and courage Admiral Nimitz or whoever is established as pleb admin but also to previous agreement between two parties.

I stated I fervently hoped wld never be war between Pak and Ind and that such war wld be catastrophic not only for nations involved but for whole free world. Added if war shld come, Pak as practical matter had nothing lose if large number Ind troops cooped up in valley of Kashmir. Stated the serious fighting wld obviously be in totally different area and GOI troops in valley wld be largely immoblized.

I pointed out that GOP had every reason want honest pleb and I was sure GOI wld accept results of such pleb; in any event whatever country lost wld be forced abide by results, because of overwhelming power of world opinion.

I stated these views totally my own and I had given them to him in complete confidence only because had urged me over and over again speak frankly.

Mohammed Ismail seemed intensely interested in viewpoint I presented to him and I thought rather inclined accept it.

I believe we shld take fol position in SC; (1) commend Graham for his continued patient efforts which near success; (2) request Graham carry on efforts reach de-militarization settlement but also give him specific authority explore additional channels, find settlement.

I strongly feel we shld keep patience and avoid any action which condemns or criticizes either party for continued stalemate. I wld advise SC not to pass any resolution calling on either or both parties to take this or that specific step toward settlement but leave it to mediator to continue negots. It is crystal clear GOI will accept no resolution with which it does not agree. Passage by SC of resolution unacceptable to GOI might result in complete rupture of negots—a development we shld avoid at all costs.

BOWLES

690D.91/10–552 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

SECRET KARACHI, October 5, 1952—1 p. m.

537. FonMin this a. m. told me Pak High Comm in India; Mohd Ismail has reported to the PriMin substance of his conversation with Bowles. FonMin said he would like United States Govt to know that Pak has not made legalistic approach to Kashmir problem since adoption of UN resolution. He added GOP agrees with point of view presented by Amb Bowles that it would not be useful for Pak to engage in legalities and further that it is most useful for Pak to press for implementation of plebiscite. He said he cannot agree with Mr. Bowles' thinking that presence 30,000 Indian troops hidden in the mountains of Kashmir would have no effect on the plebiscite. FonMin reminded me that the Kasmiri are a timorous people and the mere fact of 30,000 troops adjacent to the Vale would undoubtedly influence the outcome of the election. Ref Delhi's 49, Oct 2, '52.[2]

WARREN

[1] This telegram was sent also to New Delhi.
[2] Same as telegram 1408, *supra*.

690D.91/10–952 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET NEW DELHI, October 9, 1952—7 p. m.

1513. UKHC official tells us basis info recd from UK del New York Graham in agreement with proposal invite GOI and GOP make final effort reach agreement in direct talks and wld accept invitation from

[1] This telegram was repeated to London and Karachi.

SC to suggest criteria. Also that UK del believes Graham hopes parties may call on him to assist them in further talks and that he will be ready in any case to continue as UN rep until end of year.

FonSec R. K. Nehru told me yesterday GOI wld welcome Graham's return. UKHC has same impression and states its info from Karachi indicates Paks approaching current SC consideration in moderate open-minded manner.

Foregoing indicates considerable realism on all sides, growing goodwill and, it seems to me, splendid opportunity for Graham return to subcontinent and finish task which he has so ably conducted.

Here in Delhi we fully appreciate difficulties which have beset Dept for five long years re Kashmir and realize many pressures to which Dept subjected in framing its policies and statements in SC. At risk of repeating myself, I strongly hope it will not be necessary for us take position in SC which is critical of either party or condemn them on moralistic or legalistic grounds. If discussion takes constructive line, as now seems indicated, new opportunity wld seem to arise to broaden scope Graham's authority.

May I recall under SC resolution March 14, 1950,[1] Sir Owen Dixon in addition his responsibilities for demilitarization was empowered make suggestions for solution Kashmir dispute. Pertinent para of resolution authorized Dixon "to place himself at disposal of govts of Ind and Pak and to place before those govts or SC any suggestions which, in his opinion, are likely to contribute to expeditious and enduring solution of dispute which has arisen between two govts in regard to state of Jammu and Kashmir". Furthermore, Dixon was also authorized "to report to SC as he may consider necessary submitting his conclusion and any recommendations which he may desire to make".

Altho SC resolution of March 30, 1951 does not repeat these paras it wld seem logical to believe that Graham, as successor to Sir Owen Dixon, wld inherit powers which latter held under previous SC resolutions including that of March 14, 1950. Even though Graham may be said now have similar authority, wld seem to me prefer a clear refs be made to it in SC debate or that it be restated in whatever res or views SC may express regarding Graham's fourth report.

I strongly hope that Dept will concur my belief regarding utility this stage of broadening Graham's authority to enable him, in addition to further demilitarization negots, also to explore additional channels for settling Kashmir question.

Dept's comments will be appreciated.

BOWLES

---

[1] UN doc. S/1461.

690D.91/10–952 : Telegram

The Secretary of State to the United States Mission at the United Nations [1]

SECRET WASHINGTON, October 9, 1952—7 : 03 p. m.

163. Re Kashmir. Fol are Dept's present views re handling debate in SC:

1. Graham will make opening statement at SC mtg Oct 10. We envisage no need for statements from any member of Council but if either Pak or Indian Del wish to commence statement of their positions we perceive no objection.

2. Next mtgs devoted to presentation of Pak and GOI position.

3. Fol presentation by parties SC members wld direct questions to Graham re his specific recommendations resulting from conclusions his report on troop quantum under first alternative or criteria for parties negots under second alternative. Purpose such interrogation wld be establish specific phrasing Council's recommendations. UK and US wld then introduce res and speak on subj.

4. Dept will draft material for US statement for SC.

ACHESON

[1] This telegram was repeated for information to Karachi and New Delhi.

Editorial Note

The third and fourth reports of the United Nations Representative for India and Pakistan (UN docs. S/2611 and S/2783, dated April 22 and May 29, 1952, respectively) were considered by the Security Council at its 605th to 611th meetings on October 10, November 5, and December 5, 8, 16, and 23, 1952 (UN docs. S/PV. 605–611).

690D.91/10–1852 : Telegram

The United States Representative at the United Nations (Austin) to the Department of State

SECRET NEW YORK, October 18, 1952—5 : 42 p. m.

359. Re: Kashmir. At Pak request Gross, Ross and Hyde lunched with Zafrulla Khan and Bokhari to discuss Kash.

1. Zafrulla opened conversation by asking what Gross now wanted him to do re Kash case. Zafrulla felt his policy has proved largely a failure. While he did not press on shortness of time, he felt that time was short to arrive at settlement.

2. Going on to specific aspects of case, he feels Graham worked hard in most recent phases, that he is entirely fair and unprejudiced, that he

kept Ayyangar from freezing position in Geneva and that he should be continued. Zafrulla discussed in detail his private conversations with Ayyangar. In answer to question he stated it was not fair to say that Ayyangar was not in a negotiating position. However, he was very limited in that Nehru keeps a short rein. He feels that any further negotiations to be meaningful should be at ministerial level and that any SC res should so provide.

3. Zafrulla emphasized that Indian arguments on security of state as test for determining number of Indian troops to remain in Kash is an attempt to go behind UNCIP resolutions which put to one side all legal questions about accession.

4. Zafrulla sees as basis for SC res strong unequivocal approval by SC of Graham's Sept 2 proposals on troop figures: A request to parties to negotiate with Graham; negotiations at ministerial level to be held at UN headquarters and not on subcontinent. While a deadline or time limit would have some political advantage to Paks at home, Zafrulla did not attach any particular importance to this in a SC res. He felt we should state in SC discussion opinion that Graham has more than a mediator's powers but not attempt so to provide by res. However, by this Zafrulla did not mean that Graham should be encouraged in any way, certainly not at this stage, to open question of partition which he feels involves problems somewhat beyond Graham's capabilities.

As to tactics, Zafrulla would prefer not to have any mtg of SC until there is general agreement with US and UK on a type of res which he would hope would be along lines mentioned. Zafrulla feels that Nehru has never really opposed world public opinion as contained in SC resolutions and that he would not do so now. He argued strongly that there was no real danger of Indians completely disregarding such a res.

We discussed possibility of SC res containing recommendation that alternatively parties agree on troop figures or on criteria recommended by Graham, these being clarified in SC discussion. Zafrulla felt that a recommendation to agree on criteria would introduce an intermediate step that might extend discussions for another two years. On other hand, if SC were to suggest concrete figures with Graham continuing negotiations, he thought that could lead to one of two compromise formulas that would settle this issue.

(*a*) The possibility of taking existing figures recommended by Graham with understanding that PlebAd has power to reduce number of forces in any area when he comes into office. In this connection Zafrulla would insist on interpretation of disposition in this sense.

(*b*) Other possibility would be to agree on lower original figures with understanding that PlebAd by reason of term disposition would have merely right to direct location of troops during plebiscite period. This is in accordance with report of Zafrulla's conversation with Salisbury reported in London's 2155 of Oct 13.[1]

[1] Not printed.

5. There was general discussion of partition. Zafrulla pointed out that term can mean any one of number of things. If by partition is intended a division of Kash along cease-fire line, that obviously would be intolerable for Pak because it would be surrender of vale.

On other hand, Zafrulla recognizes that after appointment of PlebAd question may arise on what basis a plebiscite should be held. It might be state-wide or it might be provincial. He cld conceive of possibility of partition with plebiscite in valley. However, he and Bokhari warned that in their opinion a plebiscite in valley could only be held if PlebAd was in position to get substantially all Indian troops out of valley during plebiscite. That might possibly involve other UN troops in their place.

Zafrulla was drawn in his discussion with Ayyangar to say that he did not conceive of a plebiscite necessarily being on a state-wide basis and added that these questions would arise only after appointment of PlebAd.

Zafrulla warned that general discussions of partition except in context mentioned immediately above are an entirely new approach that discards all areas of agreement thus far reached and for that reason involves real dangers.

6. There was discussion of Sheik Abdulla's role and possible Sov attitude toward SC res. For reasons stated, Zafrulla was not concerned with possibility of Sov veto because he feels moral effect of res on Indians would be substantially as great even with a veto. We frankly discussed possibilities of taking case to GA after such a veto and for familiar reasons Zafrulla was opposed on theory that it is too difficult to educate GA members and there would be ten resolutions proposing solutions which cannot be as effectively handled in GA as in SC. Zafrulla and Bokhari feel that Abdulla is playing a lone hand with clear Communist tendencies and they mentioned his activities as creating in Kash a weak point on subcontinent's perimeter allowing Communist infiltration. They feel that policy of Abdulla has become increasingly dangerous and added to difficulty of settling Kash issue.

7. In conclusion Zafrulla feels that even though troop quantum is an artificial objection by Indians, who really do not desire to settle case but let it drag on, this troop issue can be settled. We should scale this peak of Himalayas and not despair at higher ones beyond. He recalled that this dispute can affect the broadest interests of Pak and of US in that whole area of world.

Gross commented that US is determined to move on in every practical way toward facilitating settlement. We feel Graham can continue to be useful; we shall confer immediately with UK and discuss issue further with Paks.

AUSTIN

690D.91/11–552 : Telegram

The Acting Secretary of State to the Embassy in Pakistan[1]

CONFIDENTIAL WASHINGTON, November 5, 1952—7 : 21 p. m.

682. Re Kashmir. Agreement has been reached with UK on res to be presented to SC Nov 6. Res sponsored by US and UK but will be tabled by UK Rep who also will give and explain text to Ind Pak Reps today. US will speak after parties. Text follows:[2]

"*The SC*

Recalling its resolutions of Mar 30, 1951, Apr 30, 1951 and Nov 10, 1951;

Further recalling the provisions of the UNComm for India and Pak resolutions of 13 Aug, 1948 and 5 Jan, 1949 which were accepted by the Govts of India and Pak and which provided that the question of the accession of the State of Jammu and Kashmir to India or Pak will be decided through the democratic method of a free and impartial plebiscite conducted under the auspices of the UN;

Having received the third report dated 22 Apr, 1952 and the fourth report dated 16 Sept, 1952 of the UNRep for India and Pak;

Endorses the general principles on which the UNRep has sought to bring about agreement between the Govts of India and Pak;

Notes with gratification that the UNRep has reported that the Govts of India and Pak have accepted all but two of the paras of his twelve point proposals;

Notes that agreement on a plan of demilitarization of the State of Jammu and Kashmir has not been reached because the Govts of India and Pak have not agreed on *the whole of* para 7 of the twelve point proposals;

Urges the Govts of India and Pak to enter immediate negotiations at the headquarters of the UN in order to reach agreement on the specific number of forces to remain on each side of the cease fire line at the end of the period of demilitarization, this number to be between 3,000 and 6,000 armed forces remaining on the Pak side of the cease fire line and between 12,000 and 18,000 armed forces remaining on the India side of the cease fire line, as suggested by the UNRep in his proposals of 16th July, 1952 (annex III of S/2783) such specific numbers to be arrived at bearing in mind the principles of criteria contained in para 7 of the UNRep's proposal of 4th Sept, 1952 (annex VIII of S/2783);

Records its gratitude to the UNRep for India and Pak for the great efforts which he has made to achieve a settlement and requests him to continue to make his services available to the Govts of India and Pak to this end;

Requests the Govts of India and Pak to report to the SC not later than 30 days from the date of the adoption of this res and further requests the UNRep for India and Pak to keep the SC informed of any progress."

---

[1] This telegram was repeated to New Delhi as telegram 1353.

[2] For the text of the joint draft resolution as submitted to the Security Council by the Representatives of the United States and United Kingdom on Nov. 5, see UN docs. 2839 and Corr. 1. The joint draft resolution as amended (S/2883) was adopted on Dec. 23, 1952; for the text, see p. 1310.

Dept has been working in consultation with UK for weeks in effort evolve res which wld meet honest and fundamental conviction each party it morally and legally right and at same time wld provide basis for contd negots leading ultimately settlement acceptable both Govts. Dept has urged res which wld present alternatives of acceptance of specific figures for armed forces or of negotiating on basis Graham's Sept 4 proposals. This shld have enabled parties either to arrive almost immed at agreement or to continue negots if they unwilling accept specific figures. UK argued parties wld become deadlocked on alternatives and in any event use of criteria without specifying troop limits wld enable India avoid agreement.

To facilitate SC consideration and recognizing special UK interest Dept agreed support UK res which is based on Graham's twelve pt proposals, consolidates areas of agreement already reached and implicitly recognizes India's concern for security of state yet stipulates limits for armed forces which shld be acceptable to Pak.

Dept convinced that given sincere desire for settlement by both parties, present res shld offer opportunity and instrument for agreement.

In view relative failure earnest efforts by SC over period four years since cease fire agreed on, reps both govts being informed, sponsors of res are giving serious thought to question of seeking advice from GA if no agreement reached by end 30 day period.

Foregoing for your info and use at your discretion if questioned.

BRUCE

690D.91/11–1352 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET NEW DELHI, November 13, 1952—7 p. m.

2028. At dinner Saturday night, Sir Benegal Rau, who is here in Delhi for two months' visit, volunteered info confidential talks might take place between GOI and GOP on subj of Kashmir and added proposed solution might take form of partition with Azad-Kashmir going to Pak, Jammu to India and pleb confined to Vale. I fol up this conversation at long 3 hour luncheon with Sir Benegal, during which he made fol points:

(1) Partition with limited pleb is only practical way out of present dilemma. Under no circumstances can Ind accept presence Pak troops on Kashmir soil during pleb and proposals for various troop ratios seemed ignore this point. If Azad-Kashmir actually goes to Pak under partition quantum forces agmt will be much easier for both GOI and GOP.

---

[1] This telegram was repeated for information to Karachi.

(2) Acceptance partition proposal with limited pleb wld create potential polit problems for both Ind and Pak but these pressures wld not be so great they cld not be handled by both govts.

(3) US–UK were mistaken in making proposals to UN on quantum forces since we knew in advance Ind wld reject them. Although he did not personally question integrity of our position, he said there is much resentment in GOI circles and if we went any further along present line this resentment wld sharply increase and might eventually wipe out gains which have been made in Indo-Amer relations in last several months.

(4) Sir Benegal said it was particularly unfortunate we allowed Jebb to present resolutions since Ind's have long been convinced he is unfriendly to them. By separate tel (Embtel 2029)[2] we are sending Dept substance of article obviously inspired by GOI which appeared in principal Delhi papers today. Article described Jebb's speech on US–UK res as calculatingly sinister attempt to rewrite UNCIP report and as breach of solemn agmts between UN, Pak and Ind.

Sir Benegal further stated Jebb seemed to go out of his way to attack Ind position on point which had already been accepted by Graham, i.e., Ind responsibility for security of state.

(5) Sir Benegal indicated negots presumably between Ind and Pak may "start in day or two" but did not volunteer any details. I did not feel it proper to press him. I am confident Dept will carefully protect me on this point.

I deeply apprec consistent solid support Dept has given us here in Delhi on many delicate and potentially controversial situations during past 12 months. Indeed, I believe question of how best to handle Kashmir is only point on which we have been in disagreement. However, I am sure you will agree it is my responsibility to describe situation as we see it here and to urge what we believe to be best course of action, even though we know in advance it may not strike responsive chord.

In that framework, I must again express my conviction there is no hope whatsoever for solution Kashmir question by our present approach. Quantum of forces argument strikes directly at basis for Ind's entire claim to Kashmir. Whether we agree or not this is one of facts we must face if we are to make progress towards a solution. In our opinion, Ind is anxious to postpone pleb as long as possible on theory that time is on her side and that GOI position in Kashmir will constantly grow stronger. It is wholly possible that regardless of what position we take or even what concessions Pak is prepared to make Ind will refuse to go along. However, our best hope lies in presenting Ind with a proposal which in view of their past statement, wld be far more difficult for them to reject than present US–UK res.

If we continue to press res which was presented this week, Ind position will, in our opinion, crystallize even more sharply and much of the grou[illegible] have worked so hard to gain will be lost. A moral judgment ag[illegible]ther party can only lead to still greater bitterness on all

[2] Not printed.

sides and elimination of whatever small hope may exist of GOI–GOP agreement.

As indicated most recently Embtel 1513 Oct 9 to Dept, I have long felt Graham's terms ref shld be broadened by SC either by ref Sir Owen Dixon's auth under SC resolutions Mar 14, 1950 or by specific wording new res. Such broadened terms ref wld permit discussion solution along lines of partition. SC might call upon and urge Pak and Ind PriMins meet further discussions with assistance Graham as UN rep. Such discussion might not only consider results Geneva talks but also any suggestions for overall solution. Acting under auth such res Graham shld be in position conduct advance exploratory talks both PriMins and be able bring them together when he considers moment propitious.

There is likelihood Kashmir question at this time simply cannot be solved regardless of what we say or how many resolutions we may pass. In that case our tactics shld be to maintain position of friendliness to both countries and, above all, not to get caught in middle. We feel US already much too prominent in Kashmir dispute. UN mediator is Amer, pleb admin is Amer; nearly half UN officers responsible for ceasefire line are Amers. In a situation of such actual and potential bitterness this may present bad tactics, and explosiveness of situation may be intensified if we stand behind resolution which we know in advance Ind cannot accept.

We can count on Sov Union to take full advantage this situation whenever possible. Last week Radio Moscow beamed at Ind stated that US Govt was violently opposed to any Nehru–Sheikh Abdullah agreement, and that I had been instructed to tell GOI no further econ aid wld be forthcoming unless this agreement was dissolved. There is no point in giving the Soviet Union any opportunity to denounce US and UK as imperialists and pose as friend of Ind and Kashmir by possible veto of proposed resolution in SC.

It seems to me inevitable that, in present confused world situation we cannot avoid at times becoming irritated at policies of some of our closest friends incl Ind and Pak. However, what we need is patience and willingness to ignore many inconsistencies and irritations which for some time to come will plague our efforts in South Asia. But stakes here are crucially important and it is mistake for us to allow ourselves to deviate from an approach which has already proved successful in dealing with GOI. During recent weeks I have sent Dept a number of tels re Kash such as Embtel 1513, Oct 9 and 1894 Nov 5,[3] thus far have recd no answer or comment. I am sure you understand spirit in which I have again stated my own strong convictions and those of our political section. But I am sure you wld not respect me if I did not tell you what I thought.

BOWLES

[3] Not printed.

357.AB/11–1752 : Telegram

The Ambassador in India (Bowles) to the Department of State[1]

SECRET PRIORITY NEW DELHI, November 17, 1952—11 a. m.

2063. Personal Acheson from Bowles. We here New Delhi convinced US–UK resolution on Kashmir serious mistake. Although we did not have opportunity express our views before resolution became public, we cabled Dept few days ago giving our analysis problems created here (Embtel 2028, Nov 13).

Two long talks Bombay Thursday and Friday with our good friend Sir Girja Bajpai plus further crystallization Indian attitudes has convinced me that cable directly to you with request you personally review our position amply justified. If you decide present position Security Council correct I will of course loyally support position regardless consequences here. But I sure you and your associates must agree I have responsibility make certain implications our action shld be clearly understood before final die is cast.

Bajpai stated he had two long telephone calls from Prime Minister Nehru, one Wednesday and one Thursday. Although purpose first call to ask if Sir Girja wld accept Trygve Lie's position if it offered him; Nehru also discussed Kashmir. Second talk largely on Kashmir. Prime Minister made fol points with considerable emotion:

1. Resolution strikes deliberately at Indian position and Churchill govt clearly responsible. UK seems have two primary purposes (*a*) win support major Muslim nations, i.e., Pakistan, in order help restore former UK prestige Middle East following failure in Iran and elsewhere (*b*) to split neutralist Arab-Asian bloc at UN.
2. US role puzzling. Difficult believe US did not understand full implications. Possibility our support given to ease UK resentment over our stand colonial question. But why did we appear go along with Jebb's "obviously anti-Indian presentation".

Sheikh Abdullah's speech before Kashmir Assembly Friday followed this same general line.

Sir Girja took moderate view as to motives, expressed his keen disappointment over our position, said he fearful we wld lose much ground recently won with GOI and advised me not to discuss situation with Nehru at this time as I wld only draw forth emotional reaction.

Another and less tolerant explanation here in Delhi assumes our resolution reflects hardened attitude of new US admin and next step will be bases in Pakistan. *New York Times* article by Knowles November 12 issue used as "evidence" bolster these charges. Another news story over Wash dateline November 15 flatly states US military strategists anxious make deal with Pakistan's 80 million people for military

[1] This telegram was repeated by Washington to New York as telegram Telac 63, Nov. 18.

assistance and for "airbases only 90 minutes flying time from Sov industrial centers."

I know these latter explanations ridiculous and I record them only to indicate intensity reaction high circles here. If resolution cld have brought Kashmir agreement nearer or if it cld have served some critically important purpose elsewhere it would have been justified regardless GOI attitudes. But we must face fact that if we pursue our present line whatever chance agreement on Kashmir through UN will be eliminated. Ind attitude towards Pakistan will harden, Soviet will be given golden opportunity denounce US and UK and pose as friend of Kashmiris and 360 million Indians, and we will receive sharp setback.

Our general relations here with GOI and Indian people have immeasurably improved. This largely result patient understanding approach developed by Dept and ourselves which has gradually won GOI confidence our motives, in our dedication to peace, in our understanding of their own peculiar problem, and in our willingness help.

Seems most unfortunate for us depart at this stage from this proven approach in Indo-US relations. My long letter Oct 30 to you urged high level policy decision as to India's importance in global situation and steps we might take increase chances she will remain democracy with growing strength and with increasing willingness support West in cold war and possibly hot war conflict. Our acceptance US–UK resolution represents serious backward step.

In light all these factors I would hope US would be able devise more moderate position in SC on Kashmir. I realize how difficult it wld be wholly abandon our support present resolution. However, we could at least disassociate ourselves from those remarks of Jebb which GOI believes challenge agreements already reached in SC. After hearing both parties we could also amend resolution to remove unacceptable provisions and to broaden Graham's terms ref to permit approach by him to two Prime Ministers to seek overall solution whole Kashmir question.

We have said many times last ten months that we held no brief for GOI's delaying tactics on Kashmir and we have no illusions as to her motives. But our present approach eliminates all hope settlement because it allows GOI debate case on legal ground where she believes herself to be strong.

Our only hope for settlement lies in earnest, perhaps somewhat emotional, unbiased appeal to two Prime Ministers to bury differences, bring two nations together not only on Kashmir but on other issues such as water and thus to demonstrate to world that bitter conflicts can be solved by peaceful means. Partition with Azad–Kashmir to Pakistan, Jammu to India and plebiscite confined to Valley is only practical basis for actual agreement.

If such approach fails we should express our regrets, hope further attempts will soon be made, resist temptation offer moral judgments and continue to maintain patient unprejudiced friendly relations with both nations.

Again let me say I understand many difficult problems with which you and Dept faced in this peculiarly unsettled atmosphere but I know you will want have facts as we see them.

BOWLES

690D.91/11–2052: Telegram

The Acting Secretary of State to the Embassy in India[1]

SECRET PRIORITY WASHINGTON, November 20, 1952—7:11 p. m.

1510. For Amb from Hickerson and Byroade.

1. Greatly appreciate urtel 2063 Nov 17 re Kashmir. Dept has given most careful consideration to Embtels recd before and after res placed before SC. Conflicting interests of India and Pak and our basic policy of attempting help both parties without siding with either made necessary decision to support res.

2. As stated Deptel 1363 Nov 6[2] Dept had been working in consultation with UK for weeks in effort evolve res which wld meet honest and fundamental conviction each party it morally and legally right and at same time wld provide basis for contd negots leading ultimately settlement acceptable both govts. Dept convinced that given sincere desire settlement by both parties res as tabled offers opportunity and instrument for agreement.

3. Re reactions of parties to provisions res we believe explanation opposition 30 day time limit is obvious: neither party wishes matter go to GA. GOP fears it will not get sufficient understanding support its position which thus might lead other UN members to recommend partition or solution other than thru UNCIP res. GOI does not wish to face embarrassment thru discussion its record in Kashmir particularly when it so vigorously seeking lead role this GA on such matters as Korea and SoAfr.

4. Re GOP objection to suggested negot role for Graham during proposed 30 day period we believe of utmost importance emphasis be placed at this stage on direct negot between parties. This does not preclude Graham's undertaking any initiative parties encourage him undertake. He has already indicated he will indicate his availability to parties immed after passage res. We had hitherto assumed Indians were inclined to direct negots and accordingly wld find no objection this provision.

---

[1] This telegram was repeated to New York.
[2] Not printed.

5. Re GOI objection that res ignores Pak alleged aggression wld call attention to fact that present res based upon and entirely consonant with UNCIP resolutions which were accepted by both parties and in which ref to aggression was avoided. Re GOI objection that res gives parity of status to Pak in dispute and ignores Ind responsibility re Kashmir security we believe GOI knows res does not ignore these pts and remains entirely faithful UNCIP resolutions because it contains specific ref to principles of criteria contained para 7 of UNRep's proposal of 4 Sep 1952 [3] which include security of state.

6. Operative part of res is based on Graham's proposals of July 16 and Sep 4. Proposals were conscientiously set forth with full appreciation of Ind views and in our opinion they do nothing to prejudice whatever may be GOI's rights under UNCIP resolutions. Res does not seek equate GOP and GOI rights in Kashmir. Those rights such as they may be were established by parties themselves in UNCIP resolutions. SC has endorsed these resolutions and has scrupulously attempted leave parties' respective roles in Kashmir to mutual agreement. GOI's claim to responsibility Kashmir security and its objections to apparent failure draft res to clarify character of forces are covered by ref in res to Graham's proposals of Sept 4 relating to criteria for establishing nr and nature of forces. As for Ind concern no Pak troops shall remain during plebiscite GOP has already undertaken in UNCIP resolutions assure this will not be case and nobody, not even GOP, advocating any Pak troops remain either by public statement or by implication res. What UK has proposed and what we intend to support in statement before SC is that in our joint view best way assuring law and order in Pak-held Kashmir will be to use Azad-Kashmir armed forces. We believe that GOI in insisting on only "civil armed forces" shld know that under such circumstances there wld be grave danger plebiscite cld not be held because of chaotic conditions which wld exist in Azad-Kashmir as result of absence organized law enforcement machinery.

7. Initial mild press reaction to res followed later by violent attacks on res and on Jebb indicate as does Embtel 2028 [4] such reaction obviously inspired by GOI. Text of Jebb statement conciliatory. (Text being airmailed to you.) In our opinion to consider it as breach of solemn agreements between UN and Pak and India is unreasonable. Res has no implications beyond clear language of text and in no way departs from our previous approach of patient understanding.

8. Re Graham's terms of ref we wish recall Deptel 2431 May 3 particularly para 5. Wld like repeat that we believe your understanding in urtel 1513 [5] re Graham's powers under Mar 30, 1951 res correct. We believe however that only Graham in position determine when he

[3] UN doc. S/2783.
[4] Dated Nov. 13, p. 1299.
[5] Dated Oct. 9, p. 1293.

may wish exercise powers, other than those relating to demilitarization assigned him Mar 30, 1951 Res. He is not unmindful these powers. We believe it wld be most unwise for SC at this time indicate its concern that Graham has not exercised these powers or direct him do so.

9. Res does not prevent parties from agreeing on another solution. Either party cld have advanced proposals to other at almost any time during years dispute has been before SC, as we understand Graham hoped they wld.

10. Dept is not unaware of advantages partition. However Pak wld not accept any proposals which it considered as only a maneuver by India to escape from its commitments under UNCIP resolutions and will not put aside UNCIP resolutions unless there is something concrete to replace them.

11. Dept considers Nehru key figure in settlement Kashmir issue. Until he is willing make some agreement there of course can be none. When he indicates a sincere desire to make settlement it probably will follow.

12. Pls therefore at your discretion discuss Kashmir question with Nehru. Explain why we have supported res and that it in no way strikes at Ind position but was intended as means helping India and Pak arrive at agreement. Ask him whether he wants settlement which wld give due weight to claims and sensibilities of weaker Pak nation and whether he is willing work for such settlement. In this connection you might mention GOI's concern over increasing instability in Pak which was subj Embtel 1103 Sept 13.[6] Some move by Nehru making possible progress on Kashmir case wld be of help to Govt at Karachi in maintaining peace and stability. If Nehru desires a settlement and is willing work for it Dept wld suggest you press him instruct his reps in New York at UN approach Pak Del directly to make their proposals.

13. Dept also suggests you discuss Kashmir issue with UK HICOM in terms of asking him urge Nehru discuss with Paks any proposals he might have in mind.

BRUCE

[6] Not printed.

690D.91/11–2452 : Telegram

The Ambassador in India (Bowles) to the Department of State[1]

SECRET NEW DELHI, November 24, 1952—7 p. m.

2172. Appreciate expression Dept views Kashmir Deptel 1510, Nov 20. There is no doubt we agree re objective of assisting parties to agreement altho we disagree at vitally important points re means of achieving this objective.

In order to be helpful we shall review situation as it touches India briefly as possible.

[1] This telegram was repeated for information to Karachi.

1. One of our two or three most important objectives US policy in South Asia must be to ease Pak-Ind tensions. These tensions involve not only Kashmir but also water, property, refugees, etc. If Pak and Ind can be induced patch up their quarrels, econ progress subcontinent will be greatly speeded up; traditional invasion route to Ind and Pak from USSR, Iran and Afghan can be more effectively blocked; Pak support for Middle East more certain, and Ind army can face north and east towards Tibet, Burma and Commie China with greater likelihood increasing community interest with Western nations.

2. It will be extremely unfortunate if in spite our best efforts Ind-Pak relations continue strained and Kashmir remains trouble spot. But will be far more unfortunate if our efforts to ease present situation results not only in failure but in embittering Ind or Pak relations and creating distrust of our motives and resentment against us.

3. Hence it seems essential for us to help settle Pak-Ind differences if we can, but if that not now possible, to maintain in strict neutrality regardless our views and to hold ourself in readiness for renewed effort achieve understanding when opportunity presents itself.

4. If Dept agrees with this analysis then our disagreement on wisdom proposed resolution must stem from either disagreement on facts, difference opinion on what resolution will accomplish, or widely different estimate Ind reaction.

On these key questions our judgment is as fols:

a. Resolution is not likely to lead to solution Kashmir.

a. [*b.*] SC shld coordinate and arrange eloquent appeal to two Pri Mins to join together in bringing peace, understanding and prosperity to sub continent. Res shld point out how much the two nations have in common, that continued tensions dangerous to peace of world and call on them to meet together and develop formula fair to each nation, on which they can agree. Resolution shld be neutral, objective and on high plane. Dr. Graham's services shld be made available.

b. [*c.*] Immediately thereafter World Bank shld quietly approach PriMins urging them include in their discussions question water rights, refugee property and econ cooperation. Approach wld have to be carefully worded to avoid implication of "advance payment for settlement" and might take line that there were many econ and financial steps which shld be taken but that in absence of a solution it was difficult if not impossible to proceed. It cld be added that after agreement was reached bank wld be prepared to explore investment of substantial amounts capital for international development Indus valley waters and for other activities and offer its services as econ mediator.

8. There some chance this approach might succeed within reasonable period. Even if result is nil our relations with two nations will not be jeopardized. Indeed fairness our approach and our neutrality and objectivity wld place us in favorable position to continue our efforts achieve agreement.

If new approach is not considered feasible by Dept, we wld strongly recommend that US withdraw, so far as possible, from position of

initiative in SC on Kashmir and only emphasize need for moderation in proceedings.

BOWLES

690D.91/11–2452 : Telegram

The Acting Secretary of State to the United States Mission at the United Nations

SECRET WASHINGTON, November 24, 1952—2 : 18 p. m.

227. Zafrulla called on Byroade Nov 22 and during conversation introduced subject Kashmir, covering some of background including reference McNaughton's and Dixon's attempts and Geneva discussions. In latter case he confirmed that Ayyangar admitted he was without authority to negot.

Significant points Zafrulla made were:

1. SC res had difficulties for him but he cld not refuse accept it.
2. He wanted a real try to be made in NY and thought Graham shld "spark" it by getting parties together. Zafrulla said he wld be out of NY from Dec 8 to 16 attending Commonwealth mtg London.
3. He did not favor taking Kashmir to GA but said he had been willing consider this in light situation at close 30 day period provided for in SC res.
4. He did not like idea of parties making report at SC mtg because it likely the Indians wld raise all the old issues and he wld have to try to anticipate an answer. This wld merely confuse and divert attention. He thought Graham shld report.
5. He wld not be "sticky" on troop movements and indicated he might go above 18 thousand regulars plus 6 thousand state militia on Indian side cease-fire line if this wld make agreement possible.
6. He wld have to insist however on same interpretation being applied to Paras 4(*a*) and 4(*b*) of 5 Jan 1949 res. If "final disposal" meant location and not withdrawal as applied to Indian side it had to mean same for Azad–Kashmir forces; if it were to mean withdrawal as applied to Azad–Kashmir forces it wld have to mean withdrawal for Indian troops.

Byroade asked what Pak attitude wld be if partition were broached. Zafrulla said he had no instructions but wld be willing put it to his govt if necessity arose. His discussion of some of technicalities indicated problem had been definitely in minds of Paks. He said Pak wld not advance this solution however and he did not believe Indians would do so either. It wld have to come from third party. He thought such proposal wld have to be done secretly at highest level and by someone of high prestige and authority. Only when agreement had actually been reached cld solution involving partition be made public. He and Byroade agreed however that presently contemplated negots in NY under SC res shld be carried through without introduction of new and complicated proposal outside UN.

Byroade asked if Zafrulla thought agreement cld best be reached by getting Nehru and Nazimuddin together; it appeared that only they cld settle matter. Zafrulla thought this might be so at some stage but believed preliminary work by intermediary was essential.

Hold above in strictest secrecy.

BRUCE

690D.91/11–2452 : Telegram

The Acting Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, November 26, 1952—8 : 14 p. m.

1574. Re Kashmir urtel 2172 Nov 24.

1. We appreciate your info re unlikelihood GOI acceptance SC res and your suggestions re possible SC action which in your opinion wld receive more favorable GOI reaction. However we believe this res is the only logical and useful step which might lead to agreement on demilitarization program pursuant to parties' own undertakings in UNCIP res. Whether or not Indian reaction to our res is govt-inspired we believe that Indian decision to reach any agreement is in the last analysis responsibility Nehru personally and therefore it is essential res which comes out of SC debate is one the logic and intent of which Nehru understands.

2. Because of our estimate of our res as only logical and useful step which SC can take at this time we cannot agree to course of action which you suggest even although it has its attractions. Tactically it wld be dangerous in Council for us withdraw support of res we have now tabled, and table res along lines you now suggest. As you know we have held all along it is important that UK be in forefront in settling this dispute. For us as co-sponsor now to "back out" on res which has presently been tabled and about which Jebb has spoken wld be to bring strong reaction from UK and jeopardize cooperation on future course of action in Kashmir. We cld also expect violent reaction from Paks and quite likely some raised eyebrows from other members of SC whose contd support we need in this case. For these reasons we also cannot fol your suggested alternative course, namely that we withdraw so far as possible from position of initiative in case. We intend to be moderate and impartial in debate.

3. As you know per Deptels 1353 [2] and 1510 [3] we now have in mind possibility taking Kashmir case to GA if at end 30 day negot period agreement or evidence of progress toward agreement not forthcoming from parties. Obviously final decision whether or not to take case to GA will have to be made at end of negot period. As indicated in Deptel 1510 both parties are opposed to idea of case going to GA but as we

[1] This telegram was repeated for information to New York and Karachi.
[2] The same as telegram 682 to Karachi, Nov. 5, p. 1298.
[3] Dated Nov. 20, p. 1304.

see it if parties cannot agree on nature and nr of troops we must either get much wider internatl support from other UN members for continuing to require parties to negotiate on basis their previous undertakings or start upon possibly radically different lines of negot. If this latter step is to be set before parties it can best be done as result of GA debate rather than by further SC resolutions or direct intervention by US, UK or other friendly powers. In our opinion GA recommendation on new course of action for parties wld be best face-saving device for both GOI and GOP to shift to something more likely to lead to settlement Kashmir question.

4. Awaiting with interest report your conversation with Nehru accordance Deptel 1510.

BRUCE

Resolution Adopted by the United Nations Security Council on December 23, 1952[1]

The Security Council

Recalling its resolutions of 30 March 1951, 30 April 1951, and 10 November 1951;

Further recalling the provisions of the United Nations Commission for India and Pakistan resolutions of 13 August 1948 and 5 January 1949 which were accepted by the Governments of India and Pakistan and which provided that the question of the accession of the State of Jammu and Kashmir to India or Pakistan will be decided through the democratic method of a free and impartial plebiscite conducted under the auspices of the United Nations;

Having received the Third Report dated 22 April 1952 and the Fourth Report dated 16 September 1952 of the United Nations Representative for India and Pakistan;

Endorses the general principles on which the United Nations Representative has sought to bring about agreement between the Governments of India and Pakistan;

Notes with gratification that the United Nations Representative has reported that the Governments of India and Pakistan have accepted all but two of the paragraphs of his twelve point proposals;

Notes that agreement on a plan of demilitarization of the State of Jammu and Kashmir has not been reached because the Governments of India and Pakistan have not agreed on the whole of paragraph 7 of the twelve point proposals;

Urges the Governments of India and Pakistan to enter into immediate negotiations under the auspices of the United Nations Representa-

---

[1] The joint U.K.–U.S. draft resolution of Nov. 5, as subsequently amended (UN doc. S/2883), was approved by the Security Council at its 611th meeting on Dec. 23, 1952 by nine votes to none, with one abstention (USSR). Pakistan did not participate in the voting. (UN doc. S/PV. 611)

tive for India and Pakistan in order to reach agreement on the specific number of forces to remain on each side of the cease fire line at the end of the period of demilitarization, this number to be between 3,000 and 6,000 armed forces remaining on the Pakistan side of the cease fire line and between 12,000 and 18,000 armed forces remaining on the India side of the cease fire line, as suggested by the United Nations Representative in his proposals of 16 July 1952 (Annex III of S/2783) such specific numbers to be arrived at bearing in mind the principles of criteria contained in paragraph 7 of the United Nations Representative's proposal of 4 September 1952 (Annex VIII of S/2783);

Records its gratitude to the United Nations Representative for India and Pakistan for the great efforts which he has made to achieve a settlement and *requests* him to continue to make his services available to the Governments of India and Pakistan to this end;

Requests the Governments of India and Pakistan to report to the Security Council not later than thirty days from the date of the adoption of this resolution and further *requests* the United Nations Representative for India and Pakistan to keep the Security Council informed of any progress.

Editorial Note

Dr. Graham informed the Security Council on January 23, 1953 that the Governments of India and Pakistan had agreed to ministerial-level meetings under his auspices at Geneva, beginning February 4, 1953 (UN doc. S/2910). The negotiations were to proceed on the basis of the United Nations Commission for India and Pakistan (UNCIP) Resolutions of August 13, 1948 (S/995) and January 5, 1949 (S/1196). The conference took place at Geneva between February 4 and 19.

690D.91/1–2953: Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, January 29, 1953—midnight.

3020. Sir Girja Bajpai arrived in Delhi yesterday for discussions with Nehru and associates on handling Kashmir case at Geneva. Sir Girja called and requested private talk outside office. We met my house and talked hour and one half. Sir Girja stated he had been over Kashmir situation fully with Prime Minister and others and was clear that within limitations likely to be laid down at Geneva he believed solution impossible. Bajpai implied he would like make concession on Azad-Kashmir troops but he has been overruled. He stated discussions in Government India inevitably return to what Nehru and other Gov-

ernment India officials believe to be fundamental point, i.e., India's prior rights in Kashmir on basis of accession by Maharaja and acceptance by Viceroy.

He stated only hope he could see for solution on Kashmir was completely new proposal. I asked if he referring specifically to modified Dixon proposal which he and I have discussed on many occasions. He stated this still seemed to him only basis for progress.

Then told me in great confidence with specific request I inform no one that it his personal view Kashmir case should be sent World Court for clarification. He said either India was right as to her legal rights in Kashmir or she was wrong and if it were authoritatively established she were right not only would India's position be clarified but solution might be more readily forthcoming.

I asked him if he felt absolutely confident India would win case before World Court and he answered he did not see how India could possibly lose but if she did he felt Government of India should accept result and proceed from that point.

Sir Girja seemed as ever well aware of strategic importance of Kashmir and that inability to find solution is blocking not only economic development this whole area but also political stabilization and military defense.

He can be counted on better than any one else in Government of India honestly to seek basis for agreement at Geneva. But he will be closely bound by instructions and they in turn will be deeply rooted in Government of India conviction that it can not deviate from position it has taken as to validity of its rights in Kashmir.

Bajpai told me that Sheikh Abdullah would be happy with almost any solution as he was under very great pressure and that freedom with which he discussed situation had caused some concern in government circles. This borne later in day by Lady Stafford Cripps who described her discussions with Sheikh Abdullah.

Sir Girja stated he was tired of his job as Governor and anxious for more active role. Stated was possibility he might go United Nations as permanent delegate.

BOWLES

690D.91/1–3153 : Telegram

The Ambassador in India (Bowles) to the Secretary of State[1]

SECRET NEW DELHI, January 31, 1953—2 p. m.

3066. Deputy UKHC Garner confidentially states he personally raised Kashmir question with Indian Secretary General Pillai with reasons for importance of settlement between India and Pakistan. Latter said Bajpai had been given no new instructions that he had no

[1] This telegram was repeated for information to London, Geneva, and Karachi.

idea how talks would progress, but that he not optimistic. He added that Prime Minister was in ugly mood about Kashmir and placed primary blame United Kingdom for SC resolution. As result Prime Minister's attitude toward other issues in which United Kingdom interested such as Nep Gurkha recruitment and MEDO was being affected.

Pillai told Garner recent Nehru–Nazimuddin correspondence had related to "no war" declaration but that as was case with Nehru-Liaquat exchanges Nazimuddin's last letter reiterated Pakistan's position on Kashmir; consequently no progress had been made beyond point previously reached.

BOWLES

690D.91/1–2953 : Telegram

The Acting Secretary of State to the Consulate General at Geneva [1]

SECRET WASHINGTON, February 2, 1953—5 : 12 p. m.

496. Re Kashmir. Dr. Frank P. Graham United Nations Representative for India and Pakistan in Kashmir dispute arriving Geneva Feb 2 or 3 for purpose negotiations at UN European Headquarters with representatives of India and Pakistan. You are requested establish and maintain liaison with Dr. Graham's group for purpose conveying and receiving latest information re negotiations and developments elsewhere. Department prepared consider any action or representations which Dr. Graham may wish and any requests he makes for assistance or information should be handled on priority or niact basis. All other communications to Department should be routine telegram. At earliest opportunity convey to Dr. Graham substance New Delhi's 3020 [2] and 3066 repeated to you as 497.[3]

MATTHEWS

[1] This telegram was repeated for information to New York.
[2] Dated Jan. 29, p. 1311.
[3] Dated Jan. 31, *supra*.

690D.91/2–2553 : Telegram

The Secretary of State to the United States Mission at the United Nations [1]

SECRET WASHINGTON, February 25, 1953—6 : 37 p. m.

324. Re Kashmir. Following are Department's present views re next steps, which views we believe should be conveyed to UK Delegation and Graham:

1. We believe it advisable that Kashmir dispute not be debated in Security Council during months of March and April if debate can be

[1] This telegram was repeated for information to Karachi, New Delhi, and London.

avoided. Pakistan has presidency in March and in view of role in dispute must turn the chair over to USSR. USSR has presidency in April.

2. With this in mind we believe Graham should submit factual account of negotiations just concluded in Geneva going as far as indicating failure and nature of impasse. We urge he not submit any conclusions or recommendations but in covering letter to President of Council submitting report he should indicate his intention to submit such conclusions and recommendations in near future. In following this procedure we believe pressure on Zafrullah from his government will be sufficiently lessened so that there will be no necessity for his calling Council meeting during Pakistani presidency.

3. About 3 weeks after submission of report Graham might assess likelihood of Indians and Pakistanis having further negotiations with him. After this assessment he would then be in a position to make his conclusions and recommendations which might be submitted to the Security Council in early part of April.

4. If Graham is under such pressure that he believes it necessary to submit conclusions and recommendations now it is our present view that he should not make recommendations relating to specific numbers of armed forces. We believe that any conclusions or recommendations, while not foreclosing further pressure on parties toward implementation of UNCIP resolutions, may raise question wisdom of Council pursuing further demilitarization program as the only avenue toward solution of dispute. We also think Graham might consider making recommendation following up his proposal made at Geneva for consultations by UN Representative to determine conditions for free expressions of will of the people. Such recommendation might open door for new suggestions, including plans other than for state-wide plebiscite.[2]

DULLES

[2] The UN Representative for India and Pakistan transmitted his fifth report to the Security Council on Mar. 27, 1953 (UN doc. S/2967).

690D.91/3–1453

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) and by the Assistant Secretary of State for United Nations Affairs (Hickerson) to the Secretary of State

TOP SECRET [WASHINGTON,] March 14, 1953.

Subject: Attached Memorandum for the President on Kashmir.[1]

[1] Not printed; the text of the memorandum as sent to President Eisenhower is printed *infra*.

For five years attempts have been made to resolve the India–Pakistan dispute over Kashmir through the Security Council. Dr. Graham, the UN Representative, recently concluded conversations in Geneva which produced no progress since both parties held firmly to their established positions. Without prejudicing further UN action, we believe it is time that a new and fresh approach be undertaken.

A proposal for the partition of Kashmir between India and Pakistan made by a special emissary of the President would provide such a new approach. It is believed that the emissary should conduct his discussions in privacy and secrecy. He should proceed to the subcontinent for some unrelated purpose and should be of sufficient stature so that he would have easy access to the Prime Ministers of India and Pakistan and be listened to by them. Thus he should be a man of influence within the present Administration. Although his mission would appear to be non-official he should be able to inform the two Prime Ministers that he had the blessing and full support of the President in making an attempt to settle the problem. Mr. Paul Hoffman appears to fit these requirements. Furthermore, the Ford Foundation has achieved remarkable success in India and Pakistan and, as the president of that organization during the achievement of this record, he should be very well received in both countries.

Mr. Hoffman, or some other emissary if he is not available, could be given a preferred plan for the partition of Kashmir. He would also be given alternative proposals and informed that any solution for which he could obtain the agreement of the parties would be acceptable to us. He should in fact be given the broadest flexibility in the manner of approach, in the discussions which it is hoped would follow, and in the specific terms of the solution. We will have suggestions for the emissary at the appropriate time. During the period the emissary is consulting with the parties, we will discourage Security Council action so that failure of a partition proposal will not preclude continued efforts thereafter within the framework of the UN.

The attached memorandum to the President requests his approval of a course of action involving proposals to partition Kashmir and suggests that he ask Mr. Hoffman to accept the assignment. Late March or early April appears to be the preferable time for making the approach in the two countries.

Recommendations

1. That you approve the above course of action subject to consultation with Ambassador Lodge. You may wish to undertake this consultation; if not, we will undertake the consultation, if you so desire.

2. Following this consultation, that you transmit the attached memorandum to the President and discuss the proposal with him.

690D.91/3–2453

Memorandum by the Secretary of State to the President[1]

TOP SECRET [WASHINGTON,] March 24, 1953.

KASHMIR

The Kashmir situation is becoming increasingly acute and war between India and Pakistan is a not remote possibility. The UN effort has bogged down. Would you think that Paul Hoffman might go on a private mission to explore confidentially the attitude of the two parties to some partition of Kashmir? It would seem that such a project might be acceptable and it is the only solution which now seems to have practicable possibilities.

JOHN FOSTER DULLES

[1] Drafted by Secretary Dulles.

Eisenhower Library, Eisenhower papers, Whitman file, Dulles–Herter series

Memorandum by the President to the Secretary of State

TOP SECRET [WASHINGTON,] March 25, 1953.

I had hoped to talk to you this morning about the Kashmir situation. If you believe that Paul Hoffman could do some good by going on a private mission I think we should, by all means, send him at once. Our world simply cannot afford an outbreak of hostilities between these two countries, and I would risk a great deal to prevent any such eventuality.

D[WIGHT] D. E[ISENHOWER]

690D.91/4–1753 : Telegram

The Chargé in India (Mills) to the Department of State

TOP SECRET NEW DELHI, April 17, 1953—8 p. m.

3873. Eyes only for the Secretary of State from Paul Hoffman. After consultation with Mills and Counselor Wilkins, I concluded that best way to approach Nehru regarding Kashmir was as follows:

1. To suggest, without prejudice to present negotiations through UN, possibility considering alternative approaches which Graham referred in latest reports;

2. To raise question as to whether all outstanding questions including Kashmir might be settled by direct negotiations;

3. To persuade Nehru, if direct negotiations were to take place, it was imperative for him to take initiative.

During lengthy discussion at dinner last night, it became clear Nehru had little hope for successful outcome UN negotiations, largely because he believes that even if agreement were reached on troop disposition, too many issues would be left unresolved.

Nehru not only willing to meet with Pakistan Prime Minister in effort settle all outstanding questions but is confident they can be resolved by direct negotiation. As Nehru explained to me, senior Indian and Pakistan officials will meet in Delhi soon to thrash out current questions including Kashmir, canal waters, evacuee property and all other issues. Differences of opinion will undoubtedly arise. In early June while Nehru is in London for coronation he will have informal talks with Pakistan Prime Minister there during which groundwork can be laid for formal conference at later date.

Nehru discussed Kashmir situation freely, including possibility full plebiscite, limited plebiscite for Vale and possibility joint control of Vale. While he would not commit himself to any particular solution, he seemed confident that satisfactory answer could be found.

I believe, as result our discussion, Nehru is convinced primary responsibility for bringing about closest cooperation between India and Pakistan, which of course includes settlement outstanding issues, rests squarely upon him. Furthermore, I believe he is convinced success in these negotiations will enhance his effectiveness as leader in movement for world peace. He also agreed that success would give his friends in America opportunity to promote both understanding and friendship between our two countries.

Nehru has given me permission to advise Pakistan Prime Minister of his eagerness to effect settlement all differences through direct negotiation and has requested me to report results of my conversation to him on my return to Delhi next Wednesday.

I started my discussion with Nehru by giving assurances deep interest President and Secretary in both India and Nehru as leader in movement for world peace. I then read excerpts from President's speech which were deeply gratifying to Nehru.

MILLS

690D.93/4–2053

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State

TOP SECRET [WASHINGTON,] April 20, 1953.

Subject: Informing the British about Paul Hoffman's mission on Kashmir.

Paul Hoffman has reported that he has had a full and free discussion with Nehru about Kashmir (New Delhi's 3873).[1] He did not, however, specifically advance partition as a solution. Nehru has given Mr. Hoffman permission to advise the Pakistan Prime Minister of his, Nehru's, eagerness to effect a settlement through direct negotiation. In this connection Nehru referred to plans for a meeting with the Pakistan Prime Minister some time later. Mr. Hoffman is to report

[1] *Supra.*

the results of his conversation in Karachi to Nehru on Wednesday, April 22, when he returns to New Delhi. You will recall that it was decided not to inform the British of the Hoffman mission at the outset but that depending on what happened a top British official might be told after Mr. Hoffman arrived. Since it is likely that word will now filter back to London through the High Commissioners' offices in New Delhi and Karachi, I think you might consider orally informing John Selwyn Lloyd, Minister of State, while you are in Paris attending the NATO meeting. He will head the British delegation.[2]

[2] Notation on the source text by Roderic L. O'Connor, Assistant to the Secretary of State: "As I said—Sec mentioned this to Selwyn Lloyd 24 April in general way—got no reaction."

690D.91/4–2353 : Telegram

The Chargé in India (Mills) to the Department of State

TOP SECRET NEW DELHI, April 23, 1953—5 p. m.

3918. Eyes only Secretary from Paul Hoffman. I saw Nehru for 45 minutes evening April 23. I told him that following my conversations with new Pakistan officials over week end in Karachi I considered that moment was particlarly opportune for the conversations he is planning have with Mohammed Ali, new Pakistan Prime Minister. He asked me why I thought moment opportune. I replied that new Prime Minister was determined to meet him more than half way in order reach settlement Kashmir and other differences since Ali realized absolutely essential for Pakistan to achieve solid understanding with India so it could cut down its exorbitant expenditures on defense. Nehru said he had barely heard of Mohammed Ali before recent events.

In spite of this somewhat negative reaction, he did not withdraw in any way from his previous commitment to do everything possible to settle by direct negotiations with Pakistan the differences dividing the two countries.

I am leaving India tonight hopeful that my visit here and in Pakistan has helped create climate favorable to successful direct negotiations between the two countries.

MILLS

690D.91/4–2653

Memorandum of Conversation, by the Director of the Office of South Asian Affairs (Kennedy)

TOP SECRET [WASHINGTON,] April 26, 1953.

Subject: Kashmir

Participants: Mr. Paul Hoffman
Mr. Donald Kennedy, SOA

Mr. Paul Hoffman summarized his talks on Kashmir as follows:

1. Nehru believed Kashmir should be settled by direct talks with the Prime Minister of Pakistan on a neighbor-to-neighbor basis and

said he would continue to talk with Pakistanis until agreement was reached. He referred to talks by members of the secretariat of both countries preliminary to a meeting of the two Prime Ministers. He hoped to have an informal and personal word with the Pakistan Prime Minister Mohammed Ali in London at the time of the Coronation which would clear the way for a later meeting on the subcontinent. Nehru admitted he should take the lead in a settlement. Private conversations with Nehru were on a very frank and relaxed basis, but no specific solution was put forward as suggested by Department officers.

2. Deshmukh, Finance Minister, and Radhakrishnan, Vice President, said in private conversations that either an autonomy or partition with a plebiscite in the Vale offered the best chance for solution. The latter method was considered more desirable with the cease-fire line to be used as the basis for partition outside the Vale (adjustments would be necessary).

3. Discussions in Karachi were with the Governor General, Ghulam Mohammed, the Prime Minister, Mohammed Ali, the Foreign Minister, Zafrulla Khan, and the Minister of Finance, Mohammed Ali. These officials were pressed very hard with the necessity from Pakistan's viewpoint of settling the issue. The Prime Minister indicated his understanding that this was so and his willingness to negotiate a settlement directly with Nehru. The Governor General put in the caveat that Pakistan would not be a camp follower of Nehru's.

4. It was understood that these talks would not relieve either India or Pakistan of any of its commitments or obligations under the UN resolutions. Further Security Council action should, however, be held in abeyance to permit the direct negotiations to be carried out. Pakistan officials said, however, that there should be a time limit placed on the talks. It is understood that the parties will inform their representatives in New York of their wishes for delay, but the procedure on this is not clear.

5. The approach to Nehru was on the basis of an appeal to leadership for peace, the contribution to world peace which a settlement of this trying and long standing issue in Asia would make, and an emphasis on the fact that the time for agreement was "now". The present attitudes of the two parties appeared very favorable for a real attempt at direct negotiations.

690D.91/4–2853

Paul G. Hoffman to the Secretary of State

LOS ANGELES, April 28, 1953.

DEAR MR. SECRETARY: In the cables which I sent you from India and Pakistan I tried to give you a running account of what transpired.

The significant development was, of course, the agreement of the Prime Ministers of India and Pakistan to enter into negotiations on a "neighbor to neighbor" basis for the resolution of all important issues in dispute between their countries and to persist in these negotiations until a mutually satisfactory settlement had been reached. It is not clear as to whether the United States can take further action to facilitate these negotiations, but on the assumption that an opportunity might arise, I thought it would be in order for me to supplement the information already given by offering my impressions of the personalities of the individuals who will be the principal participants in these negotiations.

Mohammed Ali, the Prime Minister of Pakistan, is young, without experience as the head of the State, but a man of action and of great zeal to serve his country well. He can be counted upon to negotiate in good faith, to go more than half way, in fact, in trying to work out a settlement. Furthermore, he recognizes that the settlement of the issues between Pakistan and India is an essential condition to the success of his administration. One action must be taken by the U.S.A. in order to insure the support of his own countrymen and that is the effecting of some arrangement whereby shipment of sufficient wheat can be made in order to prevent famine.

The three men to whom the Prime Minister will, in my opinion, turn for counsel are the Governor General Ghulam Mohammed, the Minister of Finance, Mohammed Ali, and in a more limited way, the Foreign Minister, Zafrulla Khan. All three can, I believe, be counted upon to support the Prime Minister, both in his efforts to arrive at a settlement and in obtaining acceptance of a settlement when once reached. Perhaps it is worth knowing that these gentlemen feel that prompt action in meeting the famine is necessary to insure stability to the new regime.

Jawahrlal Nehru, Prime Minister of India, as everyone knows, is a complicated person. He is supersensitive both as to himself and his country, rather ready to take offense at what he considers a slight, even though one is not intended. He believes that as the undisputed leader of the largest free state in Asia, his counsel should be sought by the U.N., U.S.A., and U.K. before important policy decisions are made. As one of his ministers told me, "You don't need to follow his advice, but you should ask for it." This supersensitiveness also affects Nehru's attitude toward foreign aid. He recognizes the rather desperate need for help but he will not be a supplicant. He will welcome aid but only if it comes to India as an equal among equals.

Nehru's attitude toward Communism is worth knowing. He is under no illusions about it, recognizing both its limitations and the menace

it carries for all free people. His recognition of how little Communism has brought to people was made clear by a remark he made to me in commenting upon the progress Russia had made both in achieving a somewhat higher standard of living and in promoting literacy. The remark was, "At what a cost." He is fully aware of the drive the Communists are making to take over India, but he is confident that they will not succeed. Most notable to me is the fact that he is completely unafraid. This undoubtedly accounts for the fact that there is no trace of appeasement in his attitude toward the Kremlin.

Like most of the Asians I have met, Nehru feels that "New China" should be admitted into the United Nations. He understands that this is not possible now because of China's action in initiating an undeclared war against the U.N., but he feels that until a situation develops which permits such recognition, it will be difficult to lead Asia to peace. While Nehru did not say so in so many words, I gathered the impression that he felt that the Russian strategy for the past few years has been directed toward keeping China out of the U.N. on the theory that China would thus be left without friends and would become more and more dependent upon Moscow. In view of Nehru's attitude about the admission of "New China" into the U.N., the relations of the U.S. to the Government of Formosa are a complicating factor.

The attitude of Nehru's which holds the most promise from the standpoint of success in the forthcoming negotiations is his attitude toward peace. He not only has a passion for peace, but an acute consciousness of his own responsibility toward helping to bring it about. The most potent argument I found in my efforts to persuade him that he had to put his mind and heart into solving the differences between India and Pakistan was that only by so doing could he adequately meet his responsibilities as a world leader in the drive for peace.

In endeavoring to persuade Nehru that time was of the essence in arriving at a settlement, I stressed that this is one of those fluid moments when prompt and vigorous action on the part of the world's leaders can be of historic significance.

I am deeply appreciative for your having given me the opportunity to try to be of service to you.[1]

Sincerely yours, PAUL HOFFMAN

---

[1] Secretary Dulles replied on May 7 as follows:

"I have your very informative and interesting comments about your recent trip to India and Pakistan. Please let me express my warm appreciation for your most helpful efforts. It has been of tremendous value to me to be able to draw upon not only your breadth of experience and sensitive perception but also the immediate knowledge which comes from your visit.

"The President joins me in this note of thanks." (690D.91/5–753)

690D.91/5–853 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

SECRET WASHINGTON, May 8, 1953—7:28 p. m.

1580. Yesterday UK informed Department its view recent change in government in Pakistan and subsequent agreement between Mohammed Ali and Nehru to meet after Coronation gives grounds for hope for some progress in settlement of Indo-Pak disputes including Kashmir by direct discussion.

UK thinks action on Kashmir dispute in Security Council should be deferred so two Prime Ministers discussions may take place in best possible atmosphere.

We have agreed approach Pak Foreign Office along foregoing lines following prior approach of UK High Commissioner.

Approach your British colleague immediately ascertain whether he has received instructions regarding foregoing and after his visit go to Foreign Office and state British have expressed foregoing views and requested our support of them, and that we do support them. Approach should be informal.

DULLES

[1] This telegram was repeated to London, New Delhi, and New York.

690D.91/5–2153 : Telegram

The Acting Secretary of State to the United States Mission at the United Nations

SECRET WASHINGTON, May 21, 1953—5:50 p. m.

449. Re Kashmir. In view of UK Delegation's indicated desire to confer with USUN on future action in Kashmir case, particularly on basis of UK specific proposals, following are our views:

1. We suggest that discussions on Kashmir may more profitably be held after Secretary returns from trip. Accordingly we suggest USUN indicate to UK Delegation belief that discussion should wait until after the Secretary's return and we have had chance to assess Indo-Pak situation on basis of his trip.

2. FYI we believe, like UK and Graham, that best hope for progress settlement of Kashmir problem rests in meeting of two Prime Ministers, which we assume will not occur until middle or later part of June. In our opinion nothing should be done which might disturb the friendly atmosphere in which it is expected that meeting will take place. We feel that chances for successful negotiation between two Prime Ministers will be better if US and UK have not entered into substantive negotiations in anticipation of failure of meeting. Pakistan would certainly hear promptly via UK of any agreement we reached

with UK on next UN steps. We believe GOP will be less prone want SC debate in preference to negotiation between two Prime Ministers if it understands all discussions between US and UK suspended pending Prime Ministers' meeting. For this reason we see advantage in not pressing forward in talks with UK. There is perhaps risk in not attempting to reach complete understanding with UK soon but we think US–UK talks now would lessen prospects of productive direct negotiations between India and Pakistan, and in any event US–UK position in SC will be affected, if not determined, by atmosphere created by and outcome of Prime Ministers' meeting.

SMITH

690D.91/7–1353 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

SECRET NEW DELHI, July 13, 1953—4 p. m.

79. Indian leaders continue to show concern over reports that individual Americans have encouraged Abdullah to favor independence for Kashmir and have held out hope for US economic assistance, possibly in return for US air bases. References continue to be made to alleged increased intransigence of Abdullah following Adlai Stevenson's talks with him in May, and there have even been veiled implications that Stevenson was charged with special mission by present US administration. Nehru appears to be convinced of this and may have originated reports (Embtel 31, repeated Karachi 4, July 6).[2]

Times of India editorial of July 11 asks, "Must we continue to brook the unasked-for interference of mischievous third parties?"

It is possible that Americans referred to in *Hindustan Times* article of June 30 (Embassy's 19, July 4)[2] were US members of UN observation mission, although they usually highly circumspect.

In view of forthcoming Ali–Nehru talks, it might be useful if I could assure Nehru officially, on basis of fresh instructions, that US continues to hope for successful settlement of Kashmir problem by bilateral negotiations between India and Pakistan and that in any case US Government is not interfering in Kashmir and that any loose talk by private Americans regarding independence is fully repudiated. It might also be useful if I could give Nehru direct statement from Stevenson, stating that latter had learned that press references had been made to his talks with Abdullah and that he wished to make it clear that conversation was solely to obtain information and that he (Stevenson) had no solution in mind or desire to suggest one.

ALLEN

---

[1] This telegram was repeated for information to Karachi and London.
[2] Not printed.

690D.91/8–1353 : Telegram

The Secretary of State to the Embassy in India[1]

SECRET WASHINGTON, July 15, 1953—10 : 32 p. m.

48. Embtel 79. You authorized give Nehru firmest assurances US Government made no suggestions officially or unofficially encourage Kashmir government seek satisfaction any given set demands. You may assure Nehru Stevenson given no mission discuss Kashmir with Abdullah or anyone else.

In light current misunderstandings among Indian officials public you may wish instruct your staff refrain visits Kashmir for present.

While making clear Nehru complete lack substance charges our interference Kashmir you should remind him our real hope forthcoming negotiations will provide progress Kashmir solution.

DULLES

[1] This telegram was repeated for information to Karachi and London.

690D.91/7–2754 : Telegram

The Chargé in Pakistan (Emmerson) to the Department of State[1]

SECRET NIACT KARACHI, July 27, 1953—8 p. m.

94. Foreign Minister asked UK High Commissioner and myself call this afternoon to give us confidential summary Nehru–Ali talks Kashmir. Zafrulla began saying he had sad duty to report a failure.

First day meeting characterized by lengthy historical monologue by Nehru which began pre-Alexander Great had not reached British period by end day. References Kashmir emphasized cultural unity deprecated possibilities of division. Second day discussion on more practical plane with Nehru mentioning alternatives: Independence all Kashmir, independence valley, overall and regional plebiscites. Nehru ruled out first two. Pakistani Prime Minister then offered paper as basis discussion which showed agreements already reached and points remaining for settlement. Nehru asked for copy to study.

At this morning's meeting Nehru made no reference to Pakistani paper and after referring to many difficulties inherent in various possible courses, expressed view it might be better maintain *status quo* which seemed be working quite well. Mohammad Ali said this quite unacceptable to Pakistan.

Cabinet meeting followed morning discussion. Prime Minister report roused great indignation part members but after heated discussion, all agreed advisable course would be avoid break and agree further discussions should Nehru desire. It seems likely therefore that Prime

[1] This telegram was repeated for information to London and New Delhi.

Minister will go to Delhi probably late August. Cabinet agreed do all possible keep public opinion calm and prevent "ebullience".

Nehru is holding press conference today and communiqué will be issued. Effect on public opinion will depend to large degree on Nehru's statements and tone of communiqué.

Foreign Minister also told UK High Commissioner and myself he had discussed Kashmir with N. R. Pillai on basis their long personal friendship. Pillai said Nehru alone dealt with Kashmir question and neither he nor anyone else knew his mind on it. Zafrulla emphasized to Pillai importance to two countries of agreement, enabling both to reduce defense expenditures and work out common defense policy, and warned of dangers should hot heads in Pakistan become aroused. He cited as example what could happen Punjab disturbances of few months ago.

Zafrulla says no progress has been made on evacuee property or other issues. Nehru in vague way proposed to Mohammad Ali that two countries should work more closely together in foreign affairs matters but dropped matter before any concrete suggestion emerged.

UK High Commissioner and I expressed gratitude to Foreign Minister for giving us this information (which he said he was doing before press reports appeared and before reports were made to Pakistani embassies abroad) and said we were sure both our governments would receive news with most profound disappointment. He knew of interest of our government and hope that understanding could be reached by friendly discussion between leaders and therefore would understand great disappointment at outcome he had described.

I believe much will depend on public handling of talks in both countries. News bound to leak from Cabinet members and danger is that press will reverse friendly tone of past days and begin vituperative campaign which can only have unfortunate consequences. One hopes Cabinet can restrain discussion and keep door open for future meetings although prospects progress appear dim indeed.

EMMERSON

690D.91/8–1053 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

SECRET NEW DELHI, August 10, 1953—5 p. m.

278. As Department aware, numerous articles have appeared in India press during recent weeks alleging US interference in Kashmir. These reports claim Americans have encouraged Sheikh Abdullah to support independence and to count on US economic aid.

I have not felt it desirable to dignify these allegations with any public statement until today. However, new Kashmir Prime Minister

[1] This telegram was repeated for information to Karachi.

Bakshi in his first public statement yesterday justified dismissal of Abdullah on grounds that "an independent Kashmir under the influence of an imperialist power will be a grave threat to the freedom and independence of the Indian and Pakistan people". That US is "imperialist power" intended is beyond question. Consequently, some statement by Embassy has become imperative and I am releasing following to press today: "I have had several inquiries concerning recent allegations of American interference in Kashmir.

"I wish to state unequivocally that such allegations are entirely false. The sole interest of the United States in Kashmir is the sincere hope that the problem of its status will be solved on a basis mutually acceptable to the two countries directly concerned, India and Pakistan."

ALLEN

690D.91/8–1053: Telegram

The Ambassador in India (Allen) to the Department of State[1]

SECRET NEW DELHI, August 10, 1953—7 p. m.

282. . . . GOI claims to have in hand positive documentary proof American intrigues in Kashmir and that these documents will not be used unless GOI is challenged by US for proof.

Embassy has . . . learned . . . that . . . Thursday, Nehru was inclined to follow cautious policy vis-à-vis rift in Abdullah Cabinet but that Katju, Tyagi and C. D. Deshmukh were able to win him over to active policy by showing him documents in question. He was already prone to accept reports of American interference, particularly through Stevenson visit, and gave his OK for ousting of Abdullah and appointment of Bakshi, according to prearranged plan made when Bakshi visited Delhi three weeks ago.

A. V. Pai, Secretary to GOI Cabinet, is said to have visited Kashmir for few hours August 7 to put finishing touches on plan and give Karan Singh go ahead.

I consider it advisable for US to take prompt action to counteract reports of US interference and suggest I be authorized to deliver letter to Nehru expressing confidence that both GOI and US Governments are equally anxious to correct false impression of American interference and requesting any information GOI may have on this subject.

ALLEN

---

[1] This telegram was repeated for information to Karachi.

690D.91/8–1053 : Telegram

The Ambassador in India (Allen) to the Department of State[1]

SECRET NEW DELHI, August 10, 1953—8 p. m.

283. I am inclined to believe that Indian allegations of US interference in Kashmir have been based in part, and perhaps subconsciously, on Indian fears of Soviet and/or Chinese interference there. Indians are genuinely afraid of Russians and Chinese, but feel they can lambaste US with impunity and without fear of retaliation. By alleging US interference as basis for ousting Abdullah, GOI may have felt it was establishing plausible grounds for action and also indirectly warning other powers against interfering.

Unfortunate feature of this nefarious scheme is that not only Indian public at large but also practically every high Indian official and writer has become firmly convinced of story manufactured out of whole cloth.

ALLEN

[1] This telegram was repeated for information to London, Karachi, and Moscow.

690D.91/8–1053 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State[1]

CONFIDENTIAL NIACT KARACHI, August 10, 1953—9 p. m.

141. Foreign Minister asked me to call at five this afternoon. He stated Prime Minister had sent message to Nehru affirming that immediate meeting is necessary to resolve Kashmir difficulties and that in no case should meeting be postponed beyond August 17.

Zafrulla indicated GOP took extremely serious view recent Kashmir developments, that dilemma presenting itself seemed to be choice between *fait accompli* and continuing deterioration of situation with disorder and possible bloodshed. Either one unacceptable to Pakistanis and, while they feared talks would be fruitless, they were compelled take this further action after which recourse would be Security Council.

Foreign Minister emphasized government was trying keep press subdued and maintain as favorable atmosphere as possible. Zafrulla said fact of Prime Minister approach to Nehru would be publicly announced tomorrow. Foreign Minister and I gave assurances we would keep each other appropriately and promptly informed of our respective governments attitudes on this matter.

HILDRETH

[1] This telegram was repeated to New Delhi.

690D.91/8–1153 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State[1]

CONFIDENTIAL KARACHI, August 11, 1953—4 p. m.

143. Prime Minister during my call on him this morning said that

[1] This telegram was repeated for information to New Delhi.

Government of Pakistan was afraid that tribes in north and Azad Kashmiris might make move toward Indian-held Kashmir and that Government of Pakistan had issued instructions to Pakistan army to prevent any breach of cease-fire line.

Prime Minister remarked "responsible" source had told him US had engineered Abdullah ouster to get needed bases Kashmir which US could not obtain India or Pakistan. Agreeing with fantasy this statement he commented US served useful purpose as source of aid to needy countries and at same time target of blame when things went wrong. Prime Minister noted that Indians had lost basis their case for Kashmir since both Maharaja and Abdullah, principal parties to accession to India, now discredited and disappeared.

Defense Secretary in conversation today with Embassy officer was asked what two Prime Ministers would discuss if they met as suggested by Pakistan. He replied, "What can they discuss?" He added that they had discussed the issue threadbare at their last meeting without success and that Nehru would not give way on Abdullah ouster. Pakistanis feared move would lead to communal troubles and start refugee flow again to Pakistan.

Reliable non-government source says majority middle class Karachi people saying it futile for Prime Ministers meet again and that SC useless, therefore only alternative was direct action. Added that they "distressed" over Abdullah ouster and that principal fear was for future Kashmir Muslims. Embassy believes that Government of Pakistan completely frustrated and at total loss as to what to do. Indo-Pakistani relations, at all-time high few weeks ago, have sunk to new low as far as Pakistanis concerned. Embassy has observed more agitation and indignation over this issue than any other in last several years, including Liaquat "troops on border" announcement 1950. Protest strike called for today mainly successful in morning with expectation that procession and public meeting scheduled for tonight will make hartal complete.

HILDRETH

690D.91/8–1153: Telegram

The Ambassador in India (Allen) to the Department of State[1]

RESTRICTED PRIORITY NEW DELHI, August 11, 1953—7 p. m.

295. During conversation with Pillai today I mentioned rumors of American interference in Kashmir and said that while I took no official cognizance of them, since there had been no allegation of such interference by GOI, I was anxious to find out their source. I said I felt confident GOI was as desirous as I was to clear up situation and I would welcome any evidence it might have on subject.

[1] This telegram was repeated for information to Karachi and London.

Pillai said he wished to assure me he personally did not believe one word of these rumors, and he would let me have any information he might receive on subject. I emphasized that any basis whatever for reports that US had offered loans to Abdullah would be especially welcome.

ALLEN

690D.91/8–1353 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

SECRET KARACHI, August 13, 1953—4 p. m.

151. Embassy believes that in considering US attitude toward Kashmir situation Department will wish bear in mind following:

1. Pakistan frustration probably more intense now than ever before. Popular attitude toward India and Nehru has changed 180 degrees from unprecedented high two weeks ago to present new low. GOP in dilemma; realize folly and fatality any direct action and yet sees no hope now for peaceful and acceptable solution. Officials admit helplessness.

2. Although Delhi in better position comment than we, it appears from here that change regime Kashmir increases Commie influence and hence Commie threat both Pakistan and India. This point has been made in Pakistan press and by Pakistan officials though not to any emphatic degree. Today's *Times of Karachi* says editorially: "Union with which the Indian communalists and Commies speak and the unanimity with which they have charged the US for organizing a conspiracy against India and inciting Sheikh Abdullah should serve as a warning to that country which is so anxious to please and placate India."

Once Ali–Nehru talks either cancelled or fail, Paks apparently plan appeal again to SC. At this point their attention will likely turn from India to US and we will probably face revival of attacks on US for failure get UN action against India. Editorial comment quoted above forewarns return to critical line toward US for "partiality" to India. *Dawn* editorial yesterday described new UN approach as "final test of much-vaunted Anglo-American love of democratic and human values."

Embassy believes we must be prepared for such turn of events.

I believe above consideration impose obligation consider most carefully future US position and actions regarding Kashmir. Although I do not have specific recommendations to make at this time, problem is of course constantly and uppermost in our minds.

HILDRETH

---

[1] This telegram was repeated for information to London and New Delhi.

690D.91/8–1453 : Telegram

The Ambassador in India (Allen) to the Department of State[1]

CONFIDENTIAL NEW DELHI, August 14, 1953—4 p. m.

315. Re Embtel 311, August 13.[2] Pillai also cited as basis for allegations of American interference in Kashmir *New York Times* article of July 5 stating that consideration was being given to partition of Kashmir, with independent status for Vale. Article added "it is rumored, without official verification" that Secretary Dulles supported solution of this nature. Pillai commented "Mr. Dulles, of course, never discussed any such solution with Prime Minister. Trumbull's article created much resentment here."

Information officer of MEA recently said "you Americans are responsible for reports of interference" citing Trumbull's article and Adlai Stevenson's article on India in *Look* magazine Trumbull's basis.

It seems clear that both Pillai and MEA information officer were reflecting views of Prime Minister Nehru. Meantime, V. P. Radhakrishnan said yesterday that neither he nor Prime Minister Nehru has slightest evidence of American interference in Kashmir. Answer to this seeming paradox is that Nehru does not think US Government has intervened officially but he believes private American individuals, notably Stevenson, influenced Abdullah and that US Government is generally inclined to be pro-Pakistani on Kashmir issue.

False reports alleging that I have visited Kashmir are beginning to backfire. Since fact that I have never been to Kashmir and have never met any Kashmiri officials except brief handshake with Karan Singh at reception is well known in official diplomatic and press circles in Delhi, and allegations of my visits are beginning to be cited as proof that whole story of American interference is ba[illegible] either manufactured or flimsiest evidence.

ALLEN

[1] This telegram was repeated for information to London and Karachi.

[2] In telegram 311 from New Delhi, Aug. 13, Ambassador Allen reported in part as follows:

"Pillai asked me to call today to discuss Kashmir. He repeated that he had no idea whatever that US Government had been interfering in Kashmir, and he had already spoken to information officer of MEA requesting latter to do what he could to stop press allegations. He also said he would speak to Vishnu Sahay regarding latter's 'loose talk' as soon as Shah returns from Kashmir." (690D.91/8–1353)

690D.91/8–1753 : Telegram

The Ambassador in India (Allen) to the Department of State[1]

CONFIDENTIAL NEW DELHI, August 17, 1953—7 p. m.

340. Series of articles frontpaged by *Hindustan Times* August 15, 16, 17, indicates Government of India continues endeavor divert atten-

[1] This telegram was repeated for information to London and Karachi.

tion from its embarrassment over its action in Kashmir by charging foreign interference in Kashmir affairs. Articles by *Hindustan Times* political correspondent in Kashmir charge "United Nations Agency" with plotting establish Abdullah at head of independent government in Indian-occupied Kashmir through economic aid furnished by United Nations. Extremes to which these articles go are indicated by fact no effort has been made explain how Abdullah could gain independence through economic aid while surrounded by Indian troops. Embassy doubts *Hindustan Times* would play up these stories without at least acquiescence Government of India.

Special article in *Hindustan Standard* August 16 suggests plot to establish independent Kashmir hatched when Sheik Abdullah visited United States America "several months ago"; that United States Government was behind "coup" which made Mohammed Ali Pakistan Prime Minister; that Adlai Stevenson went to Kashmir in May 1953 to give final instructions to Abdullah regarding coup to make Indian-occupied Kashmir independent. Article observes Abdullah's foreign contacts obviously of "criminal, conspiratorial and treasonable character", and United States America objectives were buffer state between USSR and India, and Pakistan friendship which would make possible importation through Karachi of arms for Kashmir which would have become "virtually a Northern Pakistan".

ALLEN

690D.91/8–2653 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

SECRET KARACHI, August 26, 1953.

172. Embassy has carefully considered US position respecting Kashmir question and possible steps which might further achievement of settlement (re Embtel 151 August 13).

Disappointment over Delhi talks is deep and widespread and we believe Prime Minister has lost strength and prestige. Embassy believes weakening of Ali Government or fall his Cabinet would be extremely detrimental to US interests this area. Consequently, if any US action to strengthen government could be successful, we believe it deserves most thorough examination.

Secretary's statement after leaving Karachi re maintenance of pressure on Nehru with respect Kashmir and military aid to Pakistan plus plan to send Ruffner mission here indicate to Embassy that US may be prepared enter closer defense relationship with Pakistan. While we advised against divulging mission visit during Delhi stage Kashmir negotiations, we believe those considerations no longer prevail and that

[1] This telegram was repeated for information to New Delhi and to Cairo for Jernegan.

conversations on military assistance could now be held here with profit, with respect both pressure on settlement of Kashmir issue and restoring prestige Prime Minister.

Nehru actions against Abdullah, Indian campaign on "American interference", and Nehru attitude toward Admiral Nimitz all appear to us to justify hardening of US attitude on Kashmir question. We believe while India would not be pleased over US military aid to Pakistan, result on Kashmir question might in the end be beneficial. Finally military assistance agreement would strengthen present Pakistan Government and further enlist Pakistanis as active partners defense free world.

In view above Embassy perceives no objection visit mission such as one contemplated. However, in view cancellation Ruffner trip Embassy proposes as alternative discussions in Washington at time General Ayub visit September 25. If military aid is to be discussed at that time Ayub should be supported by Defense Secretary Iskander Mirza whose position and influence in government permit him speak with authority. Embassy, therefore, suggests Mirza be invited to Washington at same time and that Embassy Army Attaché be recalled for consultation and participation in talks.

If State and Defense representatives mentioned Deptel 143 [2] could visit Karachi early September discussions with us here could prepare way for Washington meetings.

Army Attaché concurs.

HILDRETH

[2] Not printed.

690D.91/8–2758 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

SECRET NEW DELHI, August 27, 1953—4 p. m.

399. Re Karachi's 172 August 26, repeated Delhi 43. While I fully appreciate Karachi's reaction to India's attitude and actions re Kashmir, I wish to raise question whether we are not in danger of becoming somewhat more involved with this question than our national interests justify. It would be very serious matter for US to get tied up militarily or become morally committed to assist physically either side in territorial dispute so far from US shores. Many such disputes exist around world, some of which we must learn to live with i.e., Trieste and Saar, helping where we can, through UN wherever possible, but avoiding bilateral commitments.

ALLEN

[1] This telegram was repeated for information to Karachi, Cairo (for Jernegan), and London.

690D.91/8–2853 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State[1]

SECRET KARACHI, August 28, 1953—3 p. m.

176. Reference Delhi's 399.[2] Primary point Embassy's 172 was not to interfere in Kashmir but merely to point out that if military assistance to Pakistan had been decided as sound then the knowledge of that fact now, so far as Pakistan is concerned, would have the additional effect of buttressing Prime Minister who as result of Kashmir is in weakened position and might also have salutary effect now on Kashmir issue. Have assumed Kashmir issue is secondary to military assistance issue and that adequate guarantees against use of military assistance in Kashmir issue would be part of any military assistance agreement.

HILDRETH

[1] This telegram was repeated for information to New Delhi and Cairo (for Jernegan).

[2] *Supra.*

357.AB/9–153

Memorandum of Conversation, by James M. Ludlow of the Office of United Nations Political and Security Affairs

CONFIDENTIAL [WASHINGTON,] September 1, 1953.

Subject: Admiral Chester W. Nimitz' Letter of Resignation as UN Plebiscite Administrator Designate for Kashmir.

Participants: The Secretary
Rear Admiral Bernard L. Austin, OP 35, Office of Chief of Naval Operations
Mr. Ludlow, UNP

Admiral Austin, at his request, called on the Secretary this morning to deliver Admiral Chester W. Nimitz' letter of resignation as UN Plebiscite Administrator Designate for Kashmir. He stated that he was transmitting the letter at Admiral Nimitz' personal request.

In receiving the letter, the Secretary said that he intended to write Admiral Nimitz to express the Department's thanks. He said that the Department had felt it necessary to urge Admiral Nimitz to refrain from resigning so that he might remain as a symbol of sustained interest and hope in a solution of the Kashmir question. It fully appreciated the inconvenience and self-sacrifice which Admiral Nimitz had experienced, and appreciated his desire for a terminal date for his responsibility. Now was probably as good a time as any for his resignation since an early solution of the Kashmir question did not seem likely. He doubted that the UN would be the means of settling the

dispute. Direct negotiations between the two governments offered the best chance of success, and he had so told the two governments while in the Middle East this spring. He was encouraged that they were now negotiating directly. He assured Admiral Austin that the letter would be forwarded to the UN Secretary General and asked the Admiral to convey his best wishes to Admiral Nimitz for his continued good health. The Secretary concluded with the hope that the Department might feel free to call upon him at some time in the future should his services be needed.

690D.91/9–253 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

CONFIDENTIAL WASHINGTON, September 2, 1953—4 : 03 p. m.

178. Department has confidentially informed Indian and Pakistan Embassies Admiral Nimitz's resignation as plebiscite administrator designate has been transmitted to UN Secretary General. Department emphasized that Admiral's action taken on own volition for personal reasons and that he has considered resigning for past year. We added fact his resignation should not be taken to indicate any change in position on our part as to Security Council consideration Kashmir. At same time continue hope bilateral negotiations will succeed in arriving at Kashmir solution.

DULLES

[1] This telegram was repeated to New Delhi.

690D.91/9–353 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

TOP SECRET NIACT KARACHI, September 3, 1953—8 p. m.

196. Called to Prime Ministers who, in obvious great distress and concern, showed me telegrams Foreign Office had received from Pakistan Embassy Washington advising Nimitz resignation received by Department and forwarded to USUN. Prime Minister position has already been weakened, as we have advised (Embtel 172)[2] and only yesterday in radio fireside chat he emphatically stated he had not approved any suggestion for substitute for Nimitz. He is now greatly concerned that Nimitz resignation will cause public to brand him liar and become convinced he has made secret deal with Nehru. Prime

[1] This telegram was repeated for information to New Delhi.
[2] Dated Aug. 26, p. 1331.

Minister implores us to urge Secretary personally to request Nimitz not to resign at present moment and to do everything possible to avoid any leaks of his intention resign.

I believe Prime Minister analysis correct and concern justified. Furthermore, Nimitz resignation will almost certainly be construed in Pakistan as United States surrender to Nehru pressure. In fact, Cabinet Secretary informs us government official who has seen telegrams has himself accused State Department of complicity with Nehru.

I believe effect on Prime Minister own future will be extremely serious not to mention disastrous consequences to further Indo-Pakistan talks and to any settlement Kashmir problem and present Pakistan goodwill to United States. I urge Department to do everything possible prevent this from happening.

HILDRETH

690D.91/9–453 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

CONFIDENTIAL WASHINGTON, September 4, 1953—7 p. m.

191. Re Kashmir.

1. UNSYG being requested by USUN hold up if possible announcement Nimitz resignation for few days. Report already leaked by GOI. Nimitz, though refusing confirm or deny, has told press UNSYG will make announcement in few days. Believed not possible defer longer.

2. You may indicate to GOP that while we firmly believe GOI will never agree to American as Plebiscite Administrator we will be willing to submit to GOP, should it wish, name or names distinguished Americans who might be made available for assignment.

3. After announcement appears in press you authorized issue statement along following lines:

(*a*) Nimitz has planned to resign for well over year and has been induced by US Government's request to remain on by considerations of service and at great personal inconvenience to himself.

(*b*) Most recently he again deferred his resignation so that it would not affect outcome of July–August discussions between Nehru and Mohammed Ali on Kashmir.

(*c*) Clearly there is no other relationship between timing Nimitz resignation and Nehru–Mohammed Ali agreement.

(*d*) US considers resignation does not affect status Kashmir case before UN and continues hope for prompt and just settlement mutually acceptable to Pakistan and India.

DULLES

---

[1] This telegram was repeated for information to New Delhi.

690D.91/9–653 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

KARACHI, September 6, 1953.

202. *Times of Karachi* editorial today entitled "stab in back" attacked US for Nimitz resignation which it says "cannot be interpreted as private act" nor friendly act toward Pakistan. Editorial states "by withdrawing Admiral Nimitz at this juncture US has done no more no less than to sabotage entire Security Council achievements." *Times* says fulminating against India for Nimitz resignation would be admission India's overwhelming influence in American affairs which ridiculous. "Of course America can on her own accommodate India and that is exactly what she has done and incidentally dealt the deadliest blow to Pakistan" editorial speaks of devastating results direct talks with India. Says Nimitz withdrawal by US means latter desires Paks to be pushed out of UN on Kashmir. "In light American attitudes we see no hope whatever making any headway." Editorial concludes "ultimately it is not wheat from US which will help to keep us alive but our inherent strength which is by no means mean. We hope government is now as clear about its objectives and course of action as people have always been."

HILDRETH

[1] This telegram was repeated for information to New Delhi.

690D.91/9–753 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

SECRET KARACHI, September 7, 1953—5 p. m.

203. Substance Deptel 191 [2] reported Prime Minister who still deploring timing of Nimitz resignation. Pleads announcement be delayed until after arrival Pakistan Foreign Minister in United States about September 15. Much pleased with rest of reftel 191. Advises he will publicize fact he sent wire to Nimitz saying in substance "if reported resignation is true, hope you will reconsider" believing this public statement will show he was no party to withdrawal and is opposed to it despite Nehru's expressed wishes. This leaves United States position on resignation less clear for present in minds of Pakistan public than Prime Ministers (Embassy telegram 202 repeated to Delhi 53) [3] although statements authorized in Department 191 will help when published.

HILDRETH

[1] This telegram was repeated for information to New Delhi.
[2] Dated Sept. 4, p. 1335.
[3] *Supra.*

690D.91/9–853 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

CONFIDENTIAL KARACHI, September 8, 1953—3 p. m.

206. Re Deptel 191.[2] Embassy believes Pakistan's reaction to public announcement United States had successfully restrained Nimitz from resigning for more than year will be to question why United States had then been unable prevent his resignation at moment which could scarcely be worse from point of view effect on Kashmir negotiations. Our statement resignation has no relationship with Nehru–Ali agreement will not be believed and will be interpreted as either United States hypocrisy or utter lack of sympathy with considerations which motivate Pakistan point of view.

Embassy strongly recommends statement be confined to paragraph *d* reference telegram plus indication that, since Nimitz compelled resign for personal reasons, United States, should GOP or GOI so request, would be willing submit names distinguished Americans who might be available.

We believe such statement would have best reaction on Pakistan public opinion and would avoid dangerous implication United States Government responsible in any way for either Nimitz retention or resignation.

If United States unwilling publicly say it would recommend distinguished successors for Nimitz on request GOP or GOI, Embassy recommends statement be limited paragraph *d* reference telegram plus either official statement United States or Nimitz personally of regret that personal reasons require his resignation this time.

HILDRETH

[1] This telegram was repeated for information to New Delhi.
[2] Dated Sept. 4, p. 1335.

357.AB/9–853 : Telegram

The Secretary of State to the United States Mission at the United Nations [1]

SECRET WASHINGTON, September 8, 1953—7 : 27 p. m.

100. Re Kashmir. Re Karachi's 203 of September 7 to Department.

You are requested to convey following information to UN Secretary General:

a. Pakistan Prime Minister has plead with us that announcement of Nimitz' resignation be delayed until after arrival Zafrulla in US about September 15.

b. We understand Pakistan has made direct appeal to Nimitz to hold off resignation and has received neither affirmative nor negative reply from Nimitz. We have not been consulted by Nimitz.

[1] This telegram was repeated for information to Karachi and New Delhi.

We consider that timing of Nimitz' resignation rests with Secretary General after such consultations with Nimitz and parties as he deems appropriate and are passing on information concerning Pakistan Prime Minister's plea only to assure that Secretary General is advised of Prime Minister's views.

DULLES

357.AB/2–1054 : Telegram

The Chargé in Pakistan (Emmerson) to the Department of State [1]

SECRET KARACHI, February 10, 1954—2 p. m.

608. Foreign Minister informed Ambassador yesterday that Pakistanis have agreed to Nimitz resignation and have so informed Indians and SYG, who, however, is giving no publicity to resignation until either Nimitz successor agreed on or formula for selection successor worked out. Zafrulla said Nehru had now narrowed selection down to representative small power not engaged in cold war which seemed leave only Switzerland, Sweden. Foreign Minister stated recourse to Security Council inevitable.

Action on accession ratification taken by Kashmir "Consembly" has evoked anticipated reaction Pakistanis, with unanimous press condemnation on action Consembly and GOI part. Prime Minister at public meeting East Bengal appealed to Nehru to repudiate unilateral decision. Prime Minister stated he "surprised" learn of decision by illegally constituted assembly and it violation Prime Minister's Delhi agreement and insult to UN. Foreign Minister, in response query by UP Karachi correspondent, referred to Security Council resolution March 1951 and said favorable response by Nehru to Prime Minister appeal affirming Indian stand "would obviate any recourse to Security Council on this aspect of matter at this stage". He added that we must wait for Nehru's response.

EMMERSON

[1] This telegram was repeated for information to New Delhi.

357.AB/3–254 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

CONFIDENTIAL NEW DELHI, March 2, 1954—7 p. m.

1364. Prime Minister Nehru's statement in House of People yesterday that US members of UN observer group in Kashmir can no longer be regarded as neutral and hence their continued presence is improper was featured in eight column headlines in local press today and may be regarded as chief positive Indian step in response to Pakistan aid

[1] This telegram was repeated to Karachi, London, and New York.

decision. It remains to be seen whether GOI will follow-up with further measures in New York to achieve elimination of US members. It is possible US personnel in Kashmir may be subjected to restrictions on Indian side of cease fire line.

I do not believe we should take any position on Nehru's observation for the time being. It goes without saying that whatever position we finally take should carefully avoid possibility of interpretation as admission that US observers have been in any way unneutral.[2]

ALLEN

[2] The Department cabled its concurrence on Mar. 3 (telegram 1037 to New Delhi, Mar. 3, 4: 04 p. m.; 357.AB/3-254).

357.AB/3-454 : Telegram

The Acting Secretary of State to the United States Mission at the United Nations [1]

SECRET WASHINGTON, March 4, 1954—6: 10 p. m.

1041. In recent conversation with Department officer, UN Representative Graham estimated GOI and GOP will not be able agree on Plebiscite Administrator by deadline April 30 and GOP might raise matter in UN Security Council as early as middle April. He doubted Indians want Kashmir question come back to Security Council because his last report was so damaging to their position.[2]

High UN Secretariat official expressed view to USUN March 2 we should not yield to Indian pressure have US observers withdrawn but that it might be possible in process rotating US personnel to gradually cut down number of observers. Still no information re Indian communication to Secretary General on this matter.

In reviewing US position, Department would like have benefit your views re probable developments in Kashmir dispute and US attitude in UN. In particular, would appreciate your estimate though necessarily speculative on following points:

1. Are there any indications that Nehru will object to Graham's continuation as UN Representative on ground of his US nationality?
2. Will Nehru–Ali talks be resumed and will they lead to any success?
3. Will Kashmir dispute come before Security Council early this spring? Would Security Council proceeding at that time be disadvantageous from our viewpoint in view of present Indian reaction to US aid to Pakistan?

SMITH

[1] This telegram was repeated to Karachi as telegram 728 and for information to New York as 391.

[2] A memorandum of this conversation held in New York on Feb. 15 between Dr. Graham and James M. Ludlow is in file 357.AB/2-1554.

357.AB/3–954 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

SECRET KARACHI, March 9, 1954—noon.

708. Reference Deptel 728.[2] Embassy in agreement with Graham estimate that GOI and GOP will not be able agree on plebiscite administrator by April 30; Pakistan officials seem in almost unanimous agreement this view. In absence agreement on plebiscite administrator GOP approach to SC would seem inevitable but Embassy believes from conversations Karachi Pakistanis will not make approach until after deadline. Officials stated privately to Embassy officers that for sake Pakistan position world opinion they must give August agreement every possibility implementation althouh they state flatly such implementation impossible as result Nehru's stand.

Zafrulla's statement that Pakistanis would not countenance removal US observers from UN team presages Pakistan's last ditch stand on Graham should, as seems likely to us in Karachi, Nehru attempt exclude Graham from negotiations. Pakistan likely to be insistent last Graham report be considered by SC, stating they have in good faith initiated direct Ali–Nehru discussions but events subsequent to initiation those discussions, including ouster of Abdullah, Nehru's present stand on Kashmir and Nehru's refusal meet Ali again have resulted in stalemate which can only be solved by SC. Strongly-held Pakistan view is Nehru's stand prompted by desire escape previous commitments with possible attempt on part Nehru withdraw case from SC.

Embassy believes and this confirmed by Foreign Minister, Ayub, other officials approach to SC inevitable. Pakistanis watching with interest Nehru's action on US observers. Should Nehru officially insist that Council withdraw US observers, this would bring issue up before Pakistanis feel that they could rightly do so themselves. Embassy believes that Pakistanis would not be unhappy if Nehru brings up issue.

From Pakistan's point of view, effect SC consideration issue this spring would depend entirely on tone of discussions. Foreign Office official stated to Embassy officer privately that he foresaw Soviet veto any resolution damaging to Indians, giving Indians advantage in not having to accept or reject any such resolution. Added, and Embassy concurs, that with no plebiscite administrator and in view possible Nehru rejection Graham continued mediation, dispute back where it was immediately after cease-fire but with essential difference that Indians (and Communists) have consolidated their position in Kashmir.

Only Pakistani officials found reasonably optimistic have been Commander-in-Chief, General Ayub, and Adjutant General, Sher Ali, both of whom have told US officials in last few weeks that they had

[1] This telegram was repeated for information to New Delhi.
[2] The same as telegram 1041 to New York, *supra*.

advocated patience to their civilian colleagues. Both stated that beside the religious element, other elements ensure ultimate Kashmir junction with Pakistan. General Ayub in discussion with Embassy officer stated it up to army to prevent any precipitate armed action in Kashmir, that he able stop any possible tribal incursion and that he intended do so, should the tribes get restive.

As reported before, Embassy convinced US arms assistance will not lead to GOP attempt reach military decision in Kashmir but it obvious that as result arms assistance promise, Pakistanis feel they in better bargaining position. They feel also that Nehru has weakened his own position in eyes of world on Kashmir. Nevertheless, they remain as in past, pessimistic.

HILDRETH

357.AB/3-954 : Telegram

The Acting Secretary of State to the United States Mission at the United Nations[1]

CONFIDENTIAL WASHINGTON, March 9, 1954—6 : 15 p. m.

397. Re section Nehru's speech[2] concerning withdrawal US observers from Kashmir, US military observers were provided at UN Secretary General's request and were carefully picked for integrity and judgment. They are agents of UN and answerable to Senior Military Observer. They have not become any less impartial since announcement US military aid to Pakistan. US rejects any implications partiality or lack "neutrality" these men.

UN has authority and responsibility for recruitment these observers. Preservation this authority and responsibility is important matter of principle.

Department understands Dayal of Indian Delegation handed above section of speech to Secretary General without any request for action. If Secretary General asks your advice as to action he should take, Department suggests following reply:

Nehru's speech does not constitute a communication either to UN or US. In our view no action is required in absence of a formal communication from GOI to UN requesting action.

Upon receipt communication by Secretary General Department would assume he would make text available to us. At that time we would make further suggestions depending on content and tone Indian note.

SMITH

---

[1] This telegram was repeated for information to New Delhi, Karachi, and London.

[2] With respect to Nehru's statement of May 1, see telegram 1264 from New Delhi, Mar. 2, p. 1338.

357.AB/3–1054 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

SECRET NEW DELHI, March 10, 1954—4 p. m.

1405. Department's 1041, March 4. I had long talk with Pillai yesterday about Kashmir and other questions. He said Indians regarded Graham as "very fine gentleman". He had no idea whether Prime Minister objected to his continuation as UN mediator but would inquire.

Speaking entirely personally, he was highly pessimistic re possibility of any progress on Kashmir and other matters in dispute between India and Pakistan. He said he doubted very much Nehru and Mohammad Ali would meet before they come together at Colombo April 28. Again emphasizing that he was speaking entirely personally and beseeching me not to give him away, he said he was most dubious that any progress would be made even if two Prime Ministers did meet at this stage. He said Nehru had worked himself—or been worked—into adamant position from which he would not budge.

Pillai did not know whether Kashmir dispute would come before SC this spring.

Comment: It seems to me most unlikely that India will take initiative bringing Kashmir case before SC. GOI tendency is towards lessening UN role in Kashmir dispute. GOI may fear India's present position in Kashmir would prove embarrassing and difficult to defend in full-dress debate. I do not think SC proceedings on Kashmir would improve our relations with India since we would find it most difficult not to show favoritism towards Pakistan position. However, I would not recommend that we make strenuous efforts to avoid case coming up if Pakistanis insist.

As re US observers, I told Pillai that while this Embassy would have less worries if they were removed, I thought GOI should think carefully, in its own interests, before pressing for their withdrawal. If incidents occurred, it might be most helpful to India if American observers on the spot could report facts.

If Americans were only on Pakistan side of line, they would hear only Pakistan story. I pointed out that President Eisenhower would find it easier to implement his promise to prevent Pakistan aggression if American observers were present, whereas if India insisted on their removal, India might have itself to blame if US Government and public obtained biased picture. Pillai said he appreciated strength of this consideration but repeated that Prime Minister had taken unchangeable position and would not rest until Americans had left. He mentioned report that American observers had been seen with known

[1] This telegram was repeated for information to London and Karachi.

Pakistan agents in their jeeps in Srinagar and said Nehru was convinced Americans were not "neutral" on Kashmir issue.

. . . . . .

ALLEN

357.AB/3–1054 : Telegram

The Acting Secretary of State to the Embassy in India [1]

CONFIDENTIAL WASHINGTON, March 10, 1954—6 : 57 p. m.

1058. Following received from USUN March 10: US observers in Kashmir.

Secretary General Hammarskjold indicated to Wadsworth March 9 he had not received formal demand from GOI on withdrawal US military observers Kashmir. However both Dayal and Menon (India) had mentioned matter to him, latter in usual inflammatory style.

Secretary General reported he would suggest to General Nimmo he gradually rotate US military observers into rear echelon posts to preclude possibility of incident. He had no intention making any arrangements for withdrawal or replacement US observers.

In Hammarskjold's opinion, Nehru had taken fantastic position. He said it would be very unwise withdraw properly accredited members of observer team under such circumstances.

According to Protitch (Secretariat) Dayal gave Secretary General excerpt from Nehru's speech containing statement on military observers. Dayal had not however requested official action and Secretary General did not intend do anything further unless he heard more from India he said.

Hammarskjold was more non-committal as to his course of action in event GOI makes formal demand for removal US observers. He did reiterate however he felt such demand would be wrong on its face and should not be made.

SMITH

[1] This telegram was repeated to Karachi and London.

690D.91/3–1154 : Telegram

The Acting Secretary of State to the Embassy in Pakistan [1]

TOP SECRET WASHINGTON, March 11, 1954—5 : 37 p. m.

PRIORITY

762. Limited distribution. Atmosphere of tension in subcontinent would be eased substantially if some progress re Kashmir dispute were evident. At moment it does not appear likely plebiscite administrator

[1] This telegram was repeated by the Department to New York (eyes only for Lodge and Wadsworth).

will be appointed by April 30 as provided in Nehru–Mohammed Ali agreement reached New Delhi August 21, 1953. Such failure implement agreement will no doubt further increase tension and feeling ill will.

Suggest in your discretion you see PM privately with following line making clear your comment entirely in spirit friendly help and in no way should be considered as a request or Department position:

1. At an appropriate time (we believe should be no later than April 1) Mohammed Ali address communication to Nehru referring to agreement, failure thus far to have meeting to select plebiscite administrator and desire make progress, and putting forward three (or more) names of individuals who would be acceptable to Pakistan as plebiscite administrator. It most important individuals named be recognized as men of ability so that Nehru would have difficulty rejecting. They should also meet test of coming from small neutral nation and at least one should be an Asian. We would suggest nationals following countries for consideration, making clear it entirely Pakistan's decision: Sweden, Switzerland, Burma. Would be impossible of course obtain prior consent individuals considered so any nominations would have to be subject willingness individuals to serve. Understand Pakistan has informed Secretary General UN it agrees resignation Nimitz and this would be good time for public announcement by Secretary General it accepted.

2. Depending on the status of communications between Mohammed Ali and Nehru,[2] of which we know next to nothing, and Mohammed Ali's evaluation of chances of success this tactic, the proposal might be made public in order to make Pakistan position clearly evident to all. This of course also to be Mohammed Ali's decision. Presumably names would be held secret but countries represented could be specified.

3. Nehru would seem to have three alternatives: (*a*) Accept one of the men in which case a real step forward would have resulted. FYI only. This believed unlikely but rejection of good nominations by Nehru would result in India's losing standing before free world and within UN. End FYI only. (*b*) Reject all three with a counter offer of one or more. FYI only. If Nehru suggestion anywhere near reasonable one we could urge Pakistan acceptance. On other hand, if nominations obviously not impartial or not possessing stature and ability, Pakistan would have maintained good position although necessary reject. End FYI only. (*c*) Reject all nominations with no counter nominees on basis US military aid creates new situation with need for study and reconsideration of position. This would clearly place responsibility of failure of agreement of August 23 on Nehru. You should make it clear that we continue favor bilateral negotiations and believe reference to SC should only come as last resort (Embtel 708).[3] If Paks

[1] The texts of messages exchanged between the Prime Ministers of India and Pakistan in 1953 and 1954 are contained in two publications of their respective governments. See Government of India, Ministry of External Affairs, Kashmir, *Meetings and Correspondence between the Prime Ministers of India and Pakistan (July 1953–October 1954): White Paper* (1954); and Government of Pakistan, Ministry of Kashmir Affairs, *Negotiations between the Prime Ministers of Pakistan and India regarding the Kashmir dispute (June 1953–September 1954)* (1954).

[2] Dated Mar. 9, p. 1340.

do finally decide, all else failing, to raise issue in SC, would seem its position strengthened as result above line. PM should understand we not committing ourselves any position if SC debate requested.

If you discuss above with PM make clear we should not appear in matter and any steps he takes should be on basis his own initiative. As part of keeping ourselves out of it, we are not informing anyone else including UK and Pakistan Embassy. Any comment from Embassy should be marked Limited Distribution.

SMITH

357.AB/3–1354 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

SECRET KARACHI, March 13, 1954—noon.

728. Foreign Minister yesterday in conversation with Embassy officer made following points:

Reference Kashmir:

Nehru has now sent letter to Mohammed Ali stating there no reason for two Prime Ministers to meet, thus all doors closed except recourse to Security Council. Foreign Minister suggested that Embassy officer "warn" Department and USUN that Pakistanis coming back to Security Council soon. Asked if Pakistanis would wait until after April 30 deadline, Foreign Minister stated in view Nehru attitude as expressed in reply, there no reason for Pakistanis to wait. Foreign Minister agreed with officer's analysis that dispute now where it was in 1949. He said he had no idea about Nehru's stand toward Graham. Added he could not understand position Nehru who was "smart man". Said he felt that while it did not really help Pakistan, Nehru had worsened India's position in world opinion. When Embassy officer commented on recent news reports of restlessness on Indian side cease-fire line, including reported attempt burn Jammu, United Nations observers' headquarters, Foreign Minister said GOP concerned over situation and that General Ayub has issued orders his troops not to be provoked by any incidents and to keep peace on Pakistan side cease-fire line, preventing any tribal movement into Kashmir. Foreign Minister added that Pakistanis would not allow anything to start on their side. Foreign Minister welcomed SYG statement on neutrality United Nations' observers and said that his own opinion. Reference Embtel 708.[2]

Reference canal waters:

Foreign Minister said Pakistan technicians consider there two problems arising from World Bank plan: First was time element in waters substitution. Foreign Minister said five years was believed to

---

[1] This telegram was repeated for information to New Delhi.
[2] Dated Mar. 9, p. 1340.

be insufficient to complete project. Second was financial angle. Pakistanis would have to have financial assistance to complete their part. They believe that Lilienthal plan for water conservation has been ignored by Bank. When asked whether Pakistanis would be disposed accept Bank plan if time and financial problems resolved, Foreign Minister said he could not answer officially but his personal opinion that such would be case.

Reference Ceylon Prime Ministers' conference:

Foreign Minister said Kashmir would definitely not come up at conference. Added "in fact, I do not know what on earth they can talk about."

Reference Turk-Pakistan alliance:

Foreign Minister quoted Syrian Ambassador Karachi as saying with ouster Shishakly there probability Syria would be disposed enter alliance.

HILDRETH

690D.91/3–1554 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State

TOP SECRET PRIORITY KARACHI, March 15, 1954—noon.

733. Eyes only Secretary. Re Deptel 762.[1] Private conference Prime Minister yesterday wedged between kingly appointments. Contents reference telegram delivered. Spirit in which suggestions made fully appreciated. Conference disclosed following:

1. With Cabinet approval already decided not take Kashmir issue SC at present and determined go "all out" meet Nehru's expressed desire for plebiscite administrator from neutral country.

2. Nehru written within last ten days no need consider plebiscite administrator until preliminary issues cleared of which principal issue demilitarization and threatened GOI required more force in Kashmir than he had previously agreed because US military aid.

3. Nehru letter extracted from context statement Mohammad Ali in *US News World Report* interview quoted Ali as saying military aid would help settle Kashmir question. Prime Minister replying within few days protesting extraction quoted statement and pointing out in interview *US News World Report* Ali had repeatedly emphasized resort to arms on Kashmir would be suicidal both countries and especially GOP and had constantly reiterated Kashmir solution must be peaceful.

4. Prime Minister favorably impressed suggestions reference telegram and expects follow them in reply Nehru letter mentioned above. Prime Minister certain, however, he will not make suggestions public

[1] Dated Mar. 11, p. 1343.

at time transmittal suggestions in private letter to Nehru for fear he would only further irritate Nehru and injure his cause by letting Nehru believe Prime Minister playing more to gallery than to peaceful solution issue. Subsequently may make public fact he had previously made suggestions in reference telegram but only after Nehru had opportunity consider proposals in private. Prime Minister may include Australia in suggested countries.

5. Re paragraph 2 reference telegram Prime Minister away so much been impossible catch him but to supply Department full knowledge his correspondence re Nehru Prime Minister voluntarily offered supply copies complete Ali–Nehru correspondence re Kashmir provided Department wanted same on condition only top Department officials have access same or made aware delivery US. I countered with suggestion to relieve Department embarrassment asking for same and protect utmost secrecy that he give me sealed package of correspondence for delivery Saturday pouch marked "Eyes Only Secretary". Correspondence will be pouched Saturday.

6. Prime Minister wanted give military aid team reception on arrival but I said I was purposely being absent Karachi time arrival to minimize attention and in view delicate feelings in area we were doing everything possible minimize publicity concerning team which Embassy thought sound policy and wondered if he would not want postpone his reception for team until its return to Karachi from its trips through northern area. Prime Minister agreed that wiser. Begum Liaquat also anxious give reception on arrival but I shall take same line with her.

7. Prime Minister said he and Cabinet fully determined build best possible record evidencing cooperation prior taking Kashmir issue SC even to extent refusal gain world public good will at risk irritating Nehru. Prime Minister agreed fully protects secrecy suggestions reference telegram.

8. Down-to-earth talks Iraqi guests deliberately withheld by agreement with guests until Nuri Pasha goes to India and talks with Nehru and returns here to rejoin royal party about March 21. Prime Minister felt by showing willingness not press issue joining Turk-Pakistan agreement until after exposure to Nehru showed Pakistan confidence and would favorably impress guests. Feels optimistic.

HILDRETH

357.AB/3–1754 : Telegram

The Deputy United States Representative at the United Nations (Wadsworth) to the Department of State

CONFIDENTIAL NEW YORK, March 17, 1954—6 p. m.

509. Re US observers in Kashmir. Cordier called on me this noon at his request on Kashmir observer question. Dayal has asked to see

Hammarskjold immediately on latter's return Saturday morning and appointment has been arranged. Subsequently, Menon, planning to leave this weekend, also has requested to see Hammarskjold, among other things to express his personal views on same point.

Cordier anxious to have fullest possible expression US views in order brief Hammarskjold for these meetings.

First question Cordier raised on "strictly confidential" basis was whether consideration should be given to any "face-saving" formula for Nehru, for example reducing number American observers to 10. On objections raised by us he did not press this point.

He thought it not impossible Dayal may present formal request Saturday. More likely, Cordier thought, question of travel document might be pressed as means of determining whether observer personnel is US or UN. Laissez-passer would not be appropriate, said Cordier, but he referred to possibility using "travel form" such as used by Bennike and previously by Bernadotte for observer teams in Palestine. We indicated we did not like this idea. He asked us to get definitive comment which we said we would do.

Cordier said he had information indicating that if Nehru cannot win on principle he will do so by bringing charges against individuals. In this regard Cordier said that some observers had made free use of UN radio system in area for personal messages but nothing derogatory to India contained therein. Also "irresponsible letters" had been written charging some observer personnel with partisan political activity. However, Cordier said there was no sound evidence to support such charges.

I pointed out that we could make no concession that American observer personnel was in any way unneutral. Cordier indicated that Secretariat will strongly maintain this position.

Exploring means of dealing with situation, Cordier said at Hammarskjold's request Nimmo had been queried on possibility deploying American observers in manner to avoid Indian contact. Nimmo had replied observer functions carried out on team basis and no conspicuous changes could be made. Cordier question whether, depending in part on US attitude toward "travel form," SYG should press for issuance visas for pending replacements. He asked for our views on this point.

Cordier thought it would be desirable proceed if possible with replacement USAF plane by RAF plane, pointing out this question had been raised by Nimmo about two months ago (before Nehru's statement) because lack servicing facilities US plane in area.

Re American personnel still in Kashmir Cordier uninformed concerning continuity validity (e.g. expiration date) present visas these people. Asked if we could get this information as pertinent in Saturday's discussion. I said we would try.

In course discussion we made clear our agreement Cordier's view that

compliance with Nehru's request would tend break down whole observer system, not only Kashmir but elsewhere.

Comment: Thus far Hammarskjold and Cordier have taken strong stand against Nehru's attitude. I assured Cordier that we wanted to back up the SYG and be as helpful to him as we could. In this connection it seems most desirable keep ball on Nehru's side of net rather than putting Hammarskjold in position having to force issue with Nehru. This would probably occur if Hammarskjold insists on visas for pending replacements. On other hand, if Hammarskjold does not so insist, any further initiative will have to be taken by Nehru.

Answers to specific inquiries above and any additional Department comments would be appreciated for communication Cordier before arrival Hammarskjold early Saturday morning.

WADSWORTH

357.AB/3–1954 : Telegram

The Secretary of State to the United States Mission at the United Nations [1]

CONFIDENTIAL WASHINGTON, March 19, 1954—6:30 p. m.

URGENT

426. Re US observers in Kashmir (urtel 509).[2] FYI. Aside from possible serious consequences US–Indian relations, principal US concern this matter is preserve authority Secretary General run efficient observer system not only in Kashmir but in Palestine and elsewhere. Secretary General's capitulation to Indian demand withdraw US observers would deal severe blow this authority. Beyond this concern in efficient UN system we are not interested in forcing our service personnel where they are not desired and particularly where their personal safety may be endangered. Nor are we anxious to have this issue develop into serious open US–Indian controversy. We prepared follow Hammarskjold's judgment and will respond to any reasonable arrangement which he may work out. However it is not clear what Indians will ask for on Saturday. AP dispatch from New Delhi March 18 quotes Nehru saying India has no present intention withdrawing visas of US observers. Thus in taking up matter with Cordier we see no reason discuss at this time any formula which would lead to reduction or gradual withdrawal US observers before we even know whether Indians actually will ask for withdrawal. End FYI.

In view above suggest you take following line in reply to Cordier's request for advice.

1. Secretary General will obviously wish impress upon Dayal and

[1] This telegram was repeated for information to New Delhi, Karachi, and London.

[2] *Supra.*

Menon baselessness Indian position and severe damage it will cause UN system.

2. If Indians demand officially withdrawal US observers, Secretary General might hint this problem might go beyond his responsibility and he might seek advice from appropriate UN organ. If Indians make formal request for withdrawal, we shall have sufficient time consult with Hammarskjold as to whether he will wish pursue this line.

3. We are not clear what "travel document" or "travel form" means. US observers of course have valid US passports in accordance with US law. If Cordier has in mind UN travel identification card used for instance by TSO members in Palestine, there would be presumably no objection if our observers were given such cards to carry along with their passports. We fail however see how this would solve visa problem unless Indians dispense with visa requirement altogether. Suggest you obtain clarification of what Cordier has in mind.

4. We shall raise with Defense matter withdrawing USAF plane as requested by Nimmo.

5. While we of opinion Indian visas are for unspecified duration of observer's tour of duty, speediest way obtain information re expiration date of visas of our observers presently in area would be through Secretariat channels. Simultaneously verification report of recent departure three US observers could be obtained. Suggest you ask Cordier send appropriate message. Further reason for this procedure is our desire avoid direct contact between US observers and Embassy personnel.

6. If Indians do not submit formal request for withdrawal US observers or do not formally declare unwillingness issue further visas, it might be quite appropriate for Secretary General himself request Indian visas (Deptel 413).[3]

DULLES

[3] Not printed.

611.91/3–2054 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

SECRET NEW DELHI, March 20, 1954—3 p. m.

1450. Reference Embtel 1444, March 19.[2] Pillai called at my house this morning enroute to his office to discuss question of US observers in Kashmir "entirely personally, informally and without instructions." (It is obvious that Pillai would not have come to see me without Nehru's knowledge.)

Pillai said he was deeply disturbed over deterioration of Indian–American relations and wanted "desperately" to find some means of reversing trend. For this reason he was most anxious to explore every possible avenue for solution of question of observers to prevent Indo–US relations from growing much worse. He wonders whether some basis might not be found for us to withdraw the American observers voluntarily.

I expressed full agreement with his desire to prevent further

[1] This telegram was repeated for information to London and Karachi.
[2] Not printed.

deterioration of relations and said I was ready and felt confident my government was also, to explore any feasible possibility. As regards the observers, I pointed out that Secretary General Hammarskjold appeared to have rather definite views and my government would find it most difficult to take any action which might run counter to his wishes. I also said, speaking in entire frankness, that I would not wish to "go out on a limb" in endeavoring to solve this question if there was any likelihood that we might immediately be faced with some further dramatic action by GOI which would undo any amelioration which might be achieved. Pillai said he knew of no such action under contemplation and expressed confidence that quiet solution of observers problem would start pendulum swinging in reverse direction and lead to steady improvement of Indo-American relations. He asked what type of dramatic action I had in mind. I said I had heard rumors that Doctor Kitchikew was going to Moscow and Peking soon to negotiate tripartite act of friendship and non-aggression between USSR, China and India. Pillai said this rumor was nonsense. He said Kitchikew might well be trying to foster such reports but he could assure me categorically that no approach whatever would be made by India towards USSR. He thought that if negotiations with Peking over Tibet were satisfactorily concluded, some kind of statement of mutual desire by India and China to maintain peace between two countries with long common frontiers might naturally follow.

I asked whether GOI wanted Americans to withdraw from both sides of cease-fire line in Kashmir or merely from Indian side. He said he had not thought of this point but presumed that since each observer changed sides every three months, he did not think it logical for any observers to operate exclusively on one side.

I repeated my question whether American observers in Kashmir was [*were*] sole barrier to reversal of current trend in Indian-American relations. He said only other problem, which he wished to talk to me about at some length next week, concerned Nepal. He personally put little credence in reports that Americans were intriguing against Indian interests in Nepal but said conviction was growing among people of both India and Nepal that this was true. I expressed confidence that we could give India full reassurance on this score. While we recognized independence of Nepal, we also recognized that Nepal's situation was such that it must lean either towards north or south. Certainly we had no desire to disrupt Indian-Nepalese relations and throw Nepal into hands of Communist China.

Comment: I believe it is timely for us to consider once more effect on Indo–US relations of our decision to give military aid to Pakistan. This decision has been serious defeat for Nehru. I hope with time it will undermine his entire concept of neutralism in this region. If this develops it will be a major victory for US policy. We should try to find way in which price we pay for such victory is cut to minimum.

The price might well be permanent impairment of Indian-American relations and alienation of Indian good will for indefinite period. Pillai and other high Indian officials are sincere in wishing to prevent this and are asking for our help. Observer problem is immediate issue to be met. I know the vigor with which those who find Nehru exasperating will argue that we should not cater to him in any way. I believe, however, that we may well let our own feelings do us a disservice if we fail to look beyond the present. I therefore suggest that we re-examine present impasse and see if some formula cannot be found which would permit a solution.

ALLEN

357.AB/3–2254

Memorandum of Telephone Conversation, by the Secretary of State's Special Assistant (O'Connor)[1]

[WASHINGTON,] March 22, 1954.

Subject: American neutral observers in Kashmir

Ambassador Lodge telephoned the Secretary on March 20 in reference to the American neutral observers in Kashmir. Lodge says that Menon is genuinely and personally disturbed by the presence of these observers and said that it was Menon's view that the observers would never be accepted by India anywhere and that their presence inevitably means trouble. Lodge added that a final decision was up to the Secretary General rather than us but that the SYG would be certainly influenced by what we had to say. Lodge felt that if we could concede this point, we would improve our position with Nehru, and it was his (Lodge's) recommendation that we take the people out.

The Secretary promised that he would look into the matter right away. I would like to have your coordinated recommendation for the Secretary as soon as possible.

R. L. O'CONNOR

[1] Sent to UNA and NEA.

357.AB/3–2554

Memorandum by the Deputy Assistant Secretary of State for United Nations Affairs (Wainhouse) to the Secretary of State[1]

SECRET [WASHINGTON,] March 25, 1954.

Subject: US Members of UN Military Observer Group in Kashmir.

Background

1. Nehru declared on March 1 that it is improper for US observers to be in Kashmir because the US had ceased to be neutral as a result

[1] Sent through the Executive Secretariat.

of our military assistance to Pakistan. Since then the Indians have become aware of the additional problems which Nehru's action might create for them in the UN and with the US, and the Indian Government would prefer to avoid a public show-down; nevertheless, India is determined to have our observers out of Kashmir. The Indians have approached the Secretary General and Menon has made an earnest plea to Ambassador Lodge, who recommended that we take our observers out. Following the approach by the Secretary General of the Foreign Office Pillai, Ambassador Allen recommended that we find some formula for a solution so that the US-Indian relations already seriously impaired, would not be further worsened.

2. The Secretary General has the responsibility for recruiting observers. He has said publicly that UN observers are UN agents and that their nationality is irrelevant. Privately he termed the Indian position "fantastic" and said that he had no intention of asking for the withdrawal of the US observers. The Secretariat believes that acceding to India's demand would impair the entire UN observer system with immediate repercussions in the Middle East. Apart from establishing a harmful precedent, withdrawal of the 18 US observers out of the total of 45 UN observers in Kashmir without replacement would seriously affect the UN observation function in Kashmir. We have indicated to the Secretary General that we share his concern but that the issue is one between India and himself. However, a new factor has been introduced by the direct Indian approaches to us and we are seriously concerned that our relations with India not further deteriorate.

3. The Secretariat advised USUN that two US observers scheduled to leave Kashmir in mid-July need not be replaced by US personnel.

Recommendations

1. USUN should inform the Secretary General that we share his concern in maintaining an effective UN observation system, we desire to uphold his authority, and continue to consider the Indian request to be a matter between India and the UN on which it is within his authority to decide. We have noted the Secretariat's decision that it will not be necessary to replace our two observers scheduled to leave in July.

2. Confidentially and off the record we should advise the Secretary General that we are seriously concerned over the effect of this issue on US-Indian relations, we have had high-level approaches by the Indians, no US national interest will be served by maintaining our observers in Kashmir and that we would like to see them replaced by observers of other nationalities within the next few months and in a way not impairing the observation system.

357.AB/3–2954 : Telegram

The Secretary of State to the United States Mission at the United Nations [1]

CONFIDENTIAL WASHINGTON, March 29, 1954—6:57 p.m.
URGENT

448. US observers in Kashmir. Urtel 540 [2] reporting Secretary General's decision to request "no expediting of our US replacements" indicates Secretary General appears decided reduce number of or replace all US observers. This confirms line taken in his notes to USUN of March 10.

Our thinking has moved in same direction. Menon's approach to Lodge and Pillai's call on Allen (New Delhi's 1450 passed to USUN, repeated Karachi 204, to London 269) [3] have brought new element in problem since Indians have now directly requested US take action toward withdrawal US observers.

Request you approach Hammarskjold along following lines:

1. Submit to him written *aide-mémoire* reading: "US Representative to UN presents his compliments to Secretary General and wishes acknowledge receipt of two notes dated March 10, 1954 concerning completion of tours of duty of Major Dean M. Bressler and Thomas H. White, members of UN Military Observer Group in India and Pakistan. US Representative to UN notes Secretary General's advice that no replacement for these two officers will be required at this time.

"US Representative wishes confirm that US Government shares with Secretary General his concern in maintaining effective UN observation system and desires to uphold authority of Secretary General necessary for organizing and maintaining such system.

"With respect to statement of Prime Minister Nehru of India on March 1, concerning US members of UN Military Observer Group in India and Pakistan, US rejects as entirely unfounded any implication of lack of impartiality on part of these members. In view of US Government it is within authority of Secretary General to determine what steps, if any, are necessary in matter. US remains ready at all times to cooperate with Secretary General in every way in spirit of principles and purposes of UN Charter."

2. Orally, confidentially and off record, you should inform Hammarskjold we desire him know we seriously concerned over effect this issue on US–Indian relations. We have had high-level approaches by Indians indicating on one hand their determination press matter and on other their desire find some way out. We cannot see how our observers could continue perform their duties effectively without cooperation and good will both parties and in face possible harassment and danger of incidents. No US national interest would be served by

[1] This telegram was repeated for information to Karachi as 822, to London by pouch, and to New Delhi as 1126 with the addition of the following sentence: "You will be advised of Hammarskjold's response and on action you should take."

[2] Dated Mar. 27, not printed.

[3] Dated Mar. 20, p. 1350.

maintaining these observers Kashmir. For these reasons, we would like see them gradually replaced by observers of other nationalities within next few months in manner not impairing UN observation system.

We are taking steps withdraw US airplane from Kashmir as suggested by Secretariat. We also shall not send replacements for four observers mentioned urtel 540. One US observer (Major Clark) who earlier received Indian visa and who scheduled leave for Kashmir will not be sent into area pending further advice from Secretary General.

3. If Hammarskjold agrees, we would like advise Indians that while we recognize it is up to Secretary General to make decision we made it clear to him we have no interest in maintaining our observers in Kashmir provided effectiveness present system in Kashmir remains unimpaired.

DULLES

357.AB/3–3054 : Telegram

The United States Representative at the United Nations (Lodge) to the Department of State

CONFIDENTIAL NEW YORK, March 30, 1954—4 p. m.

548. Re Kashmir observers. Re urtel 448, March 29, after delivery of *aide-mémoire* I conveyed to Hammarskjold the gist of your paragraph 2. He expressed complete understanding of our position and said he would be glad to have us advise the Indians, that while we recognize that it is up to the Secretary General to make a decision, that we have no national interest in maintaining our observers in Kashmir. He gave me copies of his letter to Dayal on clarification status observers and consultations on replacement of observers and of his new instructions to Nimmo on direction and discipline of observers. (Copies being pouched tonight.)

In view of big point which Menon made of this in several different conversations with me, it would be helpful to my future relations with him here if I could advise him myself of US position.

Request, therefore, that Ambassador Allen convey the message to Menon on my behalf. We are advising Dayal here.

LODGE

357.AB/4–2054 : Telegram

The Secretary of State to the United States Mission at the United Nations [1]

CONFIDENTIAL WASHINGTON, April 20, 1954—6:35 p. m.

509. Re Kashmir observers. Indians appear expect US observers will be replaced by other nationals at latest at expiration their respective tours of duty and hope process may be speeded up (Dayal in urtel 647,

[1] This telegram was repeated to New Delhi.

April 19,[2] Pillai in New Delhi's 1494, April 1 relayed to USUN).[3] On other hand, Cordier requested we (urtel 597, April 7)[2] extend tours of duty of US observers until "early fall". We desire avoid any misunderstanding with Indians this matter.

Request you inquire from Cordier: (*a*) does Hammarskjold intend replace US observers in near future as he finds replacements of other nationalities or does he plan not to release and replace any US observers presently in area until next fall? (*b*) What are Secretariat's plans re replacement of US observers for period after "early fall"? (*c*) Are Indians aware of Secretariat's plans and if so what is their reaction?

In your discretion you may wish recall to Cordier your statement to Secretary General of March 30 that while decision is of course up to Secretary General, we would like see US observers gradually replaced within next few months in manner not impairing UN observation system.

DULLES

---

[2] Not printed.

357.AB/4–2654 : Telegram

The United States Representative at the United Nations (Lodge) to the Department of State

CONFIDENTIAL NEW YORK, April 26, 1954—7 p. m.

663. Re: Kashmir observers, Deptel 509, April 20. In conversation with Cordier today USUN ascertained that UN Secretary General does not foresee immediate replacement US observers whose terms due to expire in next three months by observers other nationalities. Secretary General, however, does not intend request extension of these terms.

Cordier has argued that for long-range purposes a certain balance of US observers to total number must be maintained. He foresees number US observers leveling down to about 8. As for period after "early fall" by which time Secretary General hopes situation will have cooled down, Cordier reports Secretary General will probably request replacement remaining US observers when their terms expire by US [*UN*] personnel.

Re Indian attitude, Secretary General disturbed at recent publicity over weekend regarding arrangements to phase out US observers. Indians have been given understand balanced character UN observers as mentioned above must be maintained.

Cordier informed USUN that firm contract arrangements have been made for plane to be provided within ten days by Aden, subsidiary of BOAC. Information re plane and non-extension of terms US observers expiring next three months will be confirmed by letter.

LODGE

690D.91/5–1254

Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)[1]

TOP SECRET [WASHINGTON,] May 12, 1954.

Subject: Recent Exchange of Letters Between Prime Ministers Mohammed Ali of Pakistan and Nehru of India Regarding the Kashmir Dispute and Military Assistance to Pakistan.

With a top secret letter dated April 3, 1954 to you, Ambassador Hildreth transmitted a file of correspondence containing copies of a recent exchange of nineteen letters between Prime Ministers Mohammed Ali of Pakistan and Nehru of India. The file was given to the Ambassador by Prime Minister Ali with the request that only top Department officials have access to it.

A summary of the correspondence (Tab A)[2] has been prepared for your use.

Highlights of the correspondence are:

1. Ali's vigorous attempt to have Admiral Nimitz retained as Kashmir Plebiscite Administrator, Nehru's refusal and Ali's acquiescence to Nehru's position.
2. Nehru's suggestion of a regional plebiscite in Kashmir, Ali's contention that the regions should be defined before any plebiscite, Nehru's position that the regions could properly be defined only after a plebiscite—no agreement reached.
3. Nehru's vigorous objections to U.S. military assistance to Pakistan, Ali's unsuccessful efforts to answer them and Nehru's firm position that further progress on the Kashmir issue is not now possible.

[1] Sent through the Executive Secretariat.

[2] Not printed. With respect to correspondence between the Prime Ministers, see footnote 2, p. 1344.

690D.91/5–1754 : Telegram

The Secretary of State to the United States Mission at the United Nations[1]

SECRET WASHINGTON, May 25, 1954—7:05 p. m.

589. Re Kashmir, urtel 733 May 17, 1954.[2] We believe initiative for

[1] This telegram was repeated to Karachi and New Delhi.

[2] Telegram 733 from New York reads as follows:

"*New York Times* of 16 reports Pakistan Prime Minister statement 15, that Pakistan plans bring Kashmir question to SC. I believe we should discuss with Bokhari near certainty that Soviets will frustrate SC on Kashmir as they are doing on Palestine. We might suggest Pakistan request Kashmir be added to Ninth GA provisional agenda instead of bringing matter to SC.

"I would like sound out Bokhari promptly, if Department agrees." (690D.91/5–1754)

discussion SC or consideration GA of Kashmir should be left entirely with Pakistan delegation without any encouragement or discouragement from us. If US should take initiative with Pakistanis and it should become known, it would be interpreted by Indians an anti-Indian move and would harm Indo-US relations without helping Pakistan.

We agree with your estimate that Soviets would almost certainly frustrate efforts in SC for any substantive resolution on Kashmir. They also would probably use SC debate for propaganda attack against US–Pakistan military pact.

Should Pakistan delegation approach you, we suggest, you indicate following as our views if Pakistan wishes proceed in SC.

1. Pakistan request could center on Graham's last report [3] now well over year old and narrative accounts from Pakistan and Indian representatives over developments since that report.

2. As Council did in January 1952 it might then by consensus urge Graham discuss with parties future chances of settlement either by his further mediation or by direct negotiation between parties. He would be requested report to Council following conclusion his discussions.

3. We believe no substantive resolution could pass in SC now due Soviet obstruction.

You may at your discretion indicate our ideas to Graham.

DULLES

[3] Dated Mar. 27, 1953 (UN doc. S/2967).

690D.91/7–2454: Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State

TOP SECRET KARACHI, July 24, 1954—6 p.m.

81. Eyes only Secretary Dulles. Under date April 3 I pouched you top secret eyes only certain correspondence between Prime Ministers GOP and GOI. Have just been given two more similar letters by Prime Minister New Delhi dated April 13 and Karachi reply July 14 which being pouched today.

New Delhi April 13 summarized following quotes:

"No person to my knowledge imagines Pakistan is or can be in danger invasion from north. If that is so purpose military aid can only be to assist in warlike operations outside Pakistan's borders wherever they might be—it has always been not only my earnest wish but my fervent hope India and Pakistan as well as our neighbour countries in Asia would keep out of war approach and that in present state world tension they would not elect to be part war areas or groupings of powers. Both from point view international peace and practical common sense as well as ethically this appears be only reasonable course adopt. Pakistan by rejecting this course completely lines up with one of great power blocs—this position created as I have said

by Pakistan's decision, makes great difference to whole position in Asia and affects India more especially—you have referred to question Kashmir, and asked me accept view US military aid to Pakistan has no relation this question. I must categorically decline accept this view—in present context these difficulties have greatly increased."

Karachi July 14 reply summarized following quotes:

"Your attitude this matter (i.e., unilateral opening Bhakra Canal), your continued disinclination proceed with implementation our joint communiqué of last August and your stand as regards bearing US military aid will have on Kashmir issue despite all my assurances have led me wonder whether under circumstances any useful purpose can be served by further correspondence or negotiations between us. Nevertheless, issues that hang on our ability improve relations between India and Pakistan are so grave that I feel I must make one further effort help compose our differences—Pakistan has certainly not lined up with any of great power blocs or has become predetermined party or theatre or base or arsenal in present conflicts or in possible war between two rival power blocs. Assumptions to contrary are not warranted by agreement Pakistan has signed with USA or Turkey and I must express my astonishment and distress that you should continue make them despite all statements made by me, in public and private correspondence with you, disavowing them in clear, unmistakable terms—it seems to me extraordinary that steps taken by country to strengthen its defences should be considered steps not in direction peace, since weakness inevitably invites aggression, but in direction war. Surely what matters is not measures with which Pakistan and India seek strengthen their defences but their relations with each other. It is my conviction no greater contribution could be made to promotion peace in Asia than by elimination disputes that embitter relations between our two countries and prevent them from joining hands in friendly collaboration in promotion peaceful objectives—it is my understanding that during our conversations you too favoured this approach. You now take view Pakistan decision receive military aid from US has changed entire context in which Kashmir dispute is to be considered. In my opinion no such change has occurred: No such change can occur so long as India and Pakistan continues seek settle their differences by peaceful means—more particularly, if you should still feel disposed maintain despite my assurances, that US military aid has direct and material bearing on question demilitarisation in Kashmir (where, in my opinion, it has not) then solution Kashmir dispute would appear be completely ruled out. Your proposition would seem imply India would now wish retain even larger forces Kashmir during plebiscite than previously—a situation which we could not possibly agree to. To retain heavy forces Kashmir would be make nonsense all our pronouncements, yours and mine, that plebiscite must be free. This latter, I trust you will agree, is matter highest importance. Demilitarisation would be purposeless if it did not result securing freedom of vote—if therefore you consider that context Kashmir negotiations has changed in above sense then further negotiations between us unlikely prove fruitful. In that event I must infer that our efforts settle Kashmir dispute and place Indo-Pakistan relations on sane and friendly footing have unfortunately failed and so far as this dispute concerned we revert to position where it stood before you and I took it up for settlement."

HILDRETH

213-752 O - 83 Vol XI - Pt. 2 - 20

690D.91/9–2354 : Telegram

The Chargé in Pakistan (Emmerson) to the Department of State[1]

TOP SECRET KARACHI, September 23, 1954—5 p. m.

394. Cabinet Secretary today furnished Embassy in confidence copies Nehru's top secret letter of August 23 to Pakistan Prime Minister and latter's reply of September 21. Copies will be pouched.[2]

On Kashmir Nehru reiterates point on United States military aid changing context Kashmir dispute particularly with regard quantum of forces. Ali repeats usual Pakistan arguments, revives Liaquat's proposal no-war declaration with assurances on settlement disputes, concludes Kashmir dispute must go back to Security Council and proposes publication Kashmir correspondence October 1.

In discussion Kashmir question Ahmed expressed fear United States military aid to Pakistan will become serious issue and publication correspondence will lead many doubters to believe chances for Kashmir settlement shattered by United States military aid. Ahmed stated numerous Pakistani who basically favorable United States aid now having second thoughts based on risks incurred by Pakistan. Such individuals would be led further to doubt wisdom military aid by arguments on Kashmir.

Cabinet Secretary said United States would inevitably hold great responsibility in SG discussions this issue; United States position would be of greatest importance in Pakistan eyes. United Kingdom, according Ahmed, basically cool to United States aid and now more anti-Pakistan than any time since partition (partly due to GOP decision become republic); USSR now violently anti-Pakistan; thus United States only friend.

I mentioned that United States position must necessarily be one designed to try bring about agreement between both parties. We could not take position which would in effect prevent such agreement.

With respect our participation SC debate Embassy believes United States must be prepared defend vigorously United States military aid to Pakistan refuting specious arguments that context Kashmir issue thereby altered. Regardless our position on other aspects of case this would seem obligation we must fulfill.

Cabinet Secretary expects reply from Nehru shortly and unless latter insists on continuing correspondence Foreign Minister will be instructed prepare case for SC.

EMMERSON

---

[1] This telegram was repeated for information to New Delhi.

[2] A copy of Nehru's letter to Mohammad Ali, dated Aug. 23, 1954, and a copy of the reply, dated Sept. 21, 1954, were sent under cover of an official–informal letter from Chargé Emmerson to Byroade, Sept. 25, 1954 (690D.91/9–2554).

690D.91/9–2354 : Telegram

The Acting Secretary of State to the Embassy in Pakistan [1]

TOP SECRET WASHINGTON, September 27, 1954—4:12 p.m.

381. Re Kashmir urtel 394.[2] Believe you should take earliest opportunity convey GOP following US views re Kashmir debate in SC:

1. Soviets do not wish see reconciliation between India and Pakistan and could be expected veto any resolution which might be helpful Kashmir settlement.
2. Indians and Soviets would try have SC debate focused on US military aid. We of course prepared defend vigorously such aid as having no connection with settling Kashmir question, but such debate probably would serve only to intensify present tensions.
3. If obvious impasse reached in SC consideration move might develop to transfer question to GA.

You should assure GOP US position as in past will be firmly and impartially support all constructive efforts earliest negotiated settlement either through continued bilateral talks or through further UN mediation. In view of foregoing points you should obtain GOP reaction and possible ideas as how SC debate might be handled.

Re proposal Mohammed Ali–Nehru Kashmir correspondence ascertain if possible why GOP proposes action GOP officials believe would lead many Pakistanis believe US military assistance had shattered chances Kashmir settlement, which would weaken US–Pakistan relations and undermine present government.

You should find opportunity informally point out to appropriate GOP official although decision rests with GOP and India we consider publication correspondence in near future would be harmful Pakistan's best interests.

SMITH

[1] This telegram was repeated for information to New Delhi and New York.
[2] *Supra.*

690D.91/3054 : Telegram

The Chargé in Pakistan (Emmerson) to the Department of State [1]

TOP SECRET KARACHI, September 30, 1954—4 p. m.

444. Communicated substance Department's telegram 381 [2] to Aziz Ahmed Cabinet Secretary and to Rahim Foreign Secretary.

According Foreign Secretary Nehru has already agreed to publication correspondence suggesting October 5 release date. Nehru has proposed three changes: (1) to start publication with joint communiqué issued after meeting two Prime Ministers Karachi; (2) to omit

[1] This telegram was repeated for information to New Delhi.
[2] *Supra.*

one "official note" included by Government of Pakistan; (3) to insert final letter from Nehru not yet received by Government of Pakistan. Pakistanis surmised Nehru would wish last word but they will agree his suggestions.

Both Ahmed and Rahim believe publication good thing from overall point view. Ahmed says public would misunderstand suppression of correspondence which would inevitably come to light in garbled form and out of context from one side or another especially during United Nations debates. Rahim less worried about military aid aspect, emphasizes wide popular support United States aid throughout Pakistan.

Since Foreign Minister now in New York both Ahmed and Rahim suggest matter of handling question in United Nations be discussed with him. Ahmed himself will be in United States with Prime Minister.

EMMERSON

690D.91/10–554 : Telegram

The United States Representative at the United Nations (Lodge) to the Department of State

CONFIDENTIAL NEW YORK, October 5, 1954—4 p. m.

252. Re Kashmir. As Department suggested USUN, spoke with Zafrulla Khan on Friday, October 1. He said he was informed of Department's views via Pakistan Foreign Office and suggested further talks after Prime Minister's departure from New York, possibly 6th. . . .

. . . . . .

LODGE

689.90D/10–2254 : Telegram

The Acting Secretary of State to the Embassy in Pakistan[1]

CONFIDENTIAL WASHINGTON, October 22, 1954—8:09 p. m.

518. Following are Pakistani views re Kashmir given by Foreign Minister in recent meetings consequent to Prime Ministers visit Washington: Zafrulla indicated intent return dispute Security Council but specified no date. Reflecting probable domestic political pressures he said further UN consideration needed to give hope to Kashmiris still oppressed by Indian rule. Pakistanis propose agree almost any Indian demand re quantum forces each side cease fire line. Realizing probability Soviet veto any constructive resolution, they believe however that simple indication of consensus of agreement between SC members re quantum forces might enable Graham proceed further

[1] This telegram was repeated for information to London.

negotiations looking to selection Plebiscite administrator. Zafrulla believes Secretary General has suitable candidate in mind for position who once selected might then be empowered decide final troop distributions. Pakistanis exhibited little enthusiasm possible reference General Assembly.

HOOVER

690D.91/10–554 : Telegram

The Secretary of State to the United States Mission at the United Nations

SECRET WASHINGTON, November 2, 1954.

237. Re Kashmir urtel 252 October 5. We note with interest and endorse UK desire for reference Kashmir question to GA (UK's third alternative). Impasse between parties indicates to us GA now probably only means making any progress toward solution Kashmir question.

Following are our views as to how question should be referred to GA if Pakistanis request SC consideration:

1. Contrary to UK suggestion in their three choices we wish to avoid any substantive resolution. We believe most desirable objective should be US–UK jointly sponsored resolution requesting recommendations of GA under Article 12 of Charter on continued handling of dispute. In this particular case tactic is desirable as best means of assuring there will be no question re continued binding effect of previous SC resolutions and UNCIP resolutions on parties. Although we would not accept the contention, dropping Kashmir item from SC's agenda might be basis for Indians in particular to allege they no longer bound by prior actions of Council, UNRep and UNCIP.

2. After hearing formal statements from Pakistanis and Indians concerning impasse in their direct negotiations, Dr. Graham might be asked for his comments.

3. While we would hope resolution on Article 12 action would not be vetoed by Soviets, if it were, we should consider with UKDel and other delegations move to drop Kashmir question from SC agenda, making it clear in our view there can be no question as to continued validity SC resolutions and actions UNCIP and UNReps taken pursuant thereto.

4. Following Council action we should consider with UKDel pressing for consideration Kashmir question by GA.

UK should be advised our ideas above. Pakistanis, Indians and Dr. Graham may be advised these views at this time only if they are already concurred in by UK and only if sought by those delegations.

FYI. We appreciate in view (1) advanced stage present GA, (2) internal political difficulties in Pakistan, and (3) Department's intimation to Zafrulla here in Washington we were contemplating possibility turning Kashmir question over to GA, that Pakistan may not push for early SC action. Exploratory conversations suggested may deter fur-

ther any Pakistani move for early SC debate. However, since GA action appears only logical step out of present impasse we should proceed coordinate with UKDel toward laying ground work for GA debate. We are presently giving consideration type GA action. Should so indicate to UKDel and ask for UK's views. Since other delegations likely press USUN for our views once above steps agreed upon you may indicate US Government presently considering various possible constructive steps and hopes other delegations will do likewise. End FYI.

DULLES

THE PUSHTUNISTAN DISPUTE: INTEREST OF THE UNITED STATES IN PRESERVING PEACEFUL RELATIONS BETWEEN AFGHANISTAN AND PAKISTAN WITH RESPECT TO JURISDICTION OVER THE NORTHWEST FRONTIER PROVINCE [1]

689.90D/1–552

Memorandum of Conversation, by the Chargé in Afghanistan (Horner) [2]

CONFIDENTIAL KABUL, January 2, 1952.

Participants: H. E. Ali Mohammad Khan, Minister of Foreign Affairs
John Evarts Horner, Chargé d'Affaires, American Embassy, Kabul

Place: Foreign Minister's Office

I mentioned that my Government had been hoping for some time to detect a diminution in the volume and intensity of Afghan propaganda directed against Pakistan. Unfortunately, these hopes had not been realized, and offensive articles continued to appear. A case in point were articles published in *Anis* of November 29 and *Islah* of December 1 respecting the observation of Christian holidays in Pakistan. The plain implication in both articles was that Pakistan was unduly subservient to foreign and particularly Christian influence. Since these two newspapers are Government-owned, it was difficult to disassociate such items from official Afghan Government policy.

Ali Mohammad denied that the articles in question reflect the views of his Government. Afghanistan made no pretense of interfering in the religious policies of other Muslim countries. It knew, and accepted the fact, that in such countries as Egypt or Turkey full freedom of religion was granted to non-Muslims. Afghanistan does not follow such a policy herself but that happens to be a matter of internal policy. Ali Mohammad asked whether I had noticed the kind of anti-Afghan propaganda appearing in Pakistan. I replied that I was not assigned to

[1] For previous documentation, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 1929 ff. For related material, see documentation on general U.S. policies with respect to South Asia, *ibid.*, pp. 1650 ff.; on efforts of the United States to resolve the dispute between India and Pakistan over Kashmir, *ibid.*, pp. 1699 ff.; and on United States policy with respect to Afghanistan, *ibid.*, pp. 2004 ff.

[2] Memorandum transmitted with covering despatch 229 from Kabul, Jan. 5, 1952.

Karachi and I was sure our Embassy there was doing everything it could to counsel moderation. I felt that if Afghanistan would set an example Pakistan might well respond favorably.

The Foreign Minister said that he was always ready to bring about a diminution in some of the personal invective provided Pakistan did the same. Afghanistan resented personal attacks on the King and other members of the Royal Family and was obliged to respond in kind. While he was capable of causing reduction in the intensity of Afghan propaganda, "it was impossible" to drop the pro-Pushtunistan case itself.

I asked Ali Mohammad about the so-called Hussein–Majid agreement.[3] He replied that no agreement had been reached. Abdul Majid had spent three days in Karachi discussing all aspects of Pakistan–Afghanistan differences. No conclusion had been arrived at other than that the Afghan Delegate to the General Assembly, Prince Mohammad Naim, would continue these same discussions with Zafrullah Khan, Pakistan's Foreign Minister. I asked Ali Mohammad whether he thought Abdul Majid's visit had brought the two countries any closer together. He replied that he felt no special surge of optimism, and his only suggestion was that Pakistan should be urged to accept unequivocally our November 6 approach.[4] I remarked that my Government now considered the November 6 approach to be a dead issue, had no further proposals to make, and felt it was up to the two countries concerned to negotiate directly in a spirit of reasonableness.

---

[3] In telegram 525 from Karachi, Nov. 15, 1951, it was reported that Abdul Majid, former Afghan Minister of National Economy, met in Karachi that day with Mahmud Hussain, Acting Foreign Minister of Pakistan. Majid and Hussain agreed that the propaganda exacerbating the Pushtunistan issue should be gradually decreased over a period of 3 months, at the end of which time ambassadors would be exchanged between Karachi and Kabul and discussions on Pushtunistan and other issues would begin. (689.90D/11–1551)

[4] On Nov. 6, 1950, the United States had approached the Governments of Afghanistan and Pakistan with an expression of concern over the tension between the two and an offer to act as an informal "go-between" in seeking agreement by the two governments to the following four points:

1. To cease attacks upon one another by officials or through official channels and to use their best efforts to prevent such attacks in the press or from other nonofficial sources.
2. To use their influence to prevent incidents among the tribes which were likely to affect good relations between the two governments. The two governments would further agree that if, despite their efforts, incidents did occur, they would consult together through diplomatic channels and avoid public statements on such incidents.
3. To exchange ambassadors within two months.
4. To designate representatives to meet within three months for informal, exploratory discussions of their differences without a previously agreed agenda or stated preconditions. The two governments would further agree that there should be no publicity concerning these discussions without prior agreement between them.

For the Department's instructions concerning this approach, see telegram 117 to Kabul, Nov. 2, 1950, in *Foreign Relations*, 1950, vol. v, p. 1455.

The four points were quickly accepted with minor alterations by the Government of Afghanistan, but the Government of Pakistan declined to accept them as a basis for discussions.

601.8990D/3–2652 : Telegram

The Ambassador in Afghanistan (Merrell) to the Department of State [1]

SECRET KABUL, March 26, 1952—3 p. m.

406. PriMin [2] informed me this morning that an Afghan Amb wld not be sent to Karachi until the Pak Govt had accepted the fourth point of the November 7 proposal.[3] He seemed pleased however that Shah [4] is coming to Kabul as Pak Amb and appeared to hope that some good might come of the appt.

When I told him that while in Wash I had been much disappointed to learn of a recrudescence of Afghan propaganda against Pak he admitted this had occurred but said that "slowly slowly it wld die out".

MERRELL

[1] This telegram was repeated for information to London and Karachi.
[2] Shah Mahmud Ghazi.
[3] Reference is to the U.S. initiative of Nov. 6, 1950. See footnote 4, *supra*.
[4] Col. A. S. B. Shah.

689.90D/7–752 : Telegram

The Chargé in Afghanistan (Horner) to the Department of State [1]

CONFIDENTIAL KABUL, July 7, 1952—noon.

10. In first interchange of views, new First Under Secretary MFA Aziz [2] has expressed to me hope his Govt that US will not withdraw its interest in settlement differences between Pak and Afghan.

Earlier in conversation, Aziz had requested my views on merits Afghan case. I informed him that (*a*) so-called Pashtun State wld be polit and econ non-viable, (*b*) there seemed to be no ethnic basis for including all of Baluchistan in Pashtunistan, since Baluchis are wholly distinct from Pashtuns, (*c*) that, in any case, arguments for creation new natl states on ethnic basis are dangerous, and that Afghan, with its mixed population, is particularly vulnerable to possible Sov claims for "return" various [garble] groups, and (*d*) that present world trend is toward surrender some measures natl sovereignty in favor broader regional politico-econ groupings (I mentioned Benelux in this connection). There was no visible reaction to these presumably unpalatable opinions.

Aziz then asked what my thoughts would be on settlement quarrel with Pak, which he recognized was penalizing this country's econ, besides being source of weakness for area generally. I replied that I had no instructions on subj from Dept, nor was I fully briefed on current attitude of GOP. However, I thought GOP might be prepared

[1] This telegram was repeated for information to Karachi.
[2] Abdul Hamid Aziz.

make econ proposals advantageous to Afghan. Main requirement was face-saving formula. Speaking entirely personally, I wondered whether some form of mixed Afghan-Pak commission on welfare of tribes (not confined to tribes within Pak, since tribes are spread across border, and some of them are nomadic or semi-nomadic) might not meet case. Aziz said he wld like to discuss this possibility with his superiors.

I am uncertain whether conversation stemmed from Aziz's personal interest in settlement, or whether he was acting on instrs.

HORNER

601.8991/9–652

The Chargé in India (Taylor) to the Department of State [1]

SECRET

NEW DELHI, September 6, 1952.

No. 686

Ref: Embdesp # 368, August 2 [2]

Subject: Transmitting Memorandum of Conversation with Afghan Ambassador Re Prospects of Reopening Afghan-Pakistan Negotiations.

The Embassy encloses as of possible interest to the Department a memorandum of a conversation which took place on August 31 between the Afghan Ambassador to India, His Excellency Najibullah Khan, and an officer of the Embassy. Inasmuch as this conversation appeared to reflect a somewhat more realistic attitude than formerly by the GOA toward its long-standing differences with Pakistan, the conversation has been reported in some detail.

This is the second time recently that the local Afghan representative has interviewed Embassy officers on the subject of Afghan economic and political problems, especially as they are related to the GOP. It seems likely that the economic and political pressures are becoming so serious that the GOA may be ready to renew negotiations with Pakistan, and that if arranged, negotiations may have a slightly greater prospect of success than heretofore.

With regard to the merits of the Afghan case for more extensive economic and technical assistance, the Embassy is, of course, not in a position to comment. The subject may have been brought up primarily by way of introduction to other topics which the Ambassador had on his mind.

While a number of the latter's "official" remarks bore a marked

---

[1] Copy also sent to Kabul.

[2] In despatch 368 from New Delhi, Aug. 2, Political Counselor Everett Drumright reported on a conversation on July 19 with Najibullah Khan, the Afghan Ambassador in India. The Ambassador made the usual Afghan arguments concerning the Pushtunistan issue and complained that Pakistan was engaged in a policy of economic "strangulation" of Afghanistan. (601.8991/8–252)

similarity to views which the Department has heard many times, the reporting officer was struck by the omission on this occasion of the repetitious and emotional circumlocution which has become almost a ritual on these occasions, and by a certain note of urgency which attended the Ambassador's presentation of numbered points 4 and 5 in the attached memorandum, which seemed not to be just another variation on the old refrain with its occasional overtone of international blackmail, but to introduce a new and more plausible theme. This officer was also impressed by the Ambassador's suggestion that the (heretofore perfidious) British might be helpful in promoting renewed negotiations with Pakistan. To a graduate of many weary talks on this subject, the impression was pronounced that the Afghan approach wore a "new look". It occurred to the reporting officer that the GOA showed a certain readiness to take constructive steps on its own and not rely entirely on the interest of a third power.

It is suspected that the Ambassador's thinking, if not that of his Government, may be colored by the following considerations: (1) Possible imminence of Soviet moves to cut off trade, with a prospect of economic collapse. (2) A conviction that Pakistan's present internal and external problems would now render it more than usually amenable to a liquidation of difficulties on at least one of its borders, that of Afghanistan. (3) Developments in Kashmir involving the latter's limited accession or partial autonomy within Indian territory, which might be considered by the GOA as a favorable precedent, or as an index of an advantageous talking point to be used with regard to the Pushtu-speaking areas of Pakistan. (It will be recalled that never since 1947, at least, has the GOA ceased to regard these areas as presenting a special case.) (4) Recent developments in Iran eliminate that country for the foreseeable future as a source of petroleum and other supplies (alternatively to Pakistan and Russia) and have probably reinforced Afghan dread of the growth of Communist influence on its borders.[3]

It is difficult to understand why this indirect channel of communication has been employed unless it is that the Afghan Government is making a concerted attempt to make an impression concurrently through our Embassy at Kabul, through this Embassy, and through its own Embassy in Washington. No other explanation comes readily to mind, except that the American Ambassador at New Delhi[4] is widely known in this area as a sympathetic advocate of assistance to under-developed countries in this part of the world. It would be of interest to the Embassy to learn whether representations have been made along similar lines either directly to the Department in Washington or through the Embassy at Kabul.

---

[3] For documentation on the oil crisis in Iran, see volume x.
[4] Chester Bowles.

Action Requested: The Department is requested to send reproduced copies of this despatch to the American Embassies in Moscow, Karachi, and London.

For the Chargé d'Affaires, a.i.
EVERETT F. DRUMRIGHT
Counselor of Embassy (Political)

[Enclosure]

Memorandum of Conversation, by the First Secretary of the Embassy in India (Leach)

SECRET NEW DELHI, August 31, 1952.

Participants: His Excellency Najibullah Khan, Ambassador of Afghanistan
Richard S. Leach, American Embassy

Reference: Embdesp #368, August 2, 1952

Subject: Afghan-Pakistan Relations

At the request of the Afghan Ambassador I called at his residence this morning and conversed almost two hours with him privately. The conversation was divided between what he said he was officially authorized to say and what he represented as his personal views, which he wished to have kept distinct. I assured him I should respect his wishes and accordingly for purposes of this record, the substance of this conversation is divided into two parts. In summary, some of the views which the Ambassador outlined as representing those of his Government, and which he hoped might be brought to the Department's attention, were the following:

(1) Afghanistan is disappointed at the limited amount of U.S. economic and technical assistance provided for that country. believes that it can effectively absorb a much greater amount, and fears that the progress already made in Afghanistan may be jeopardized if additional assistance is not obtainable.

The Ambassador showed me a copy of a letter from the American Chargé at Kabul to the Foreign Office conveying the Department's reasons for extending limited assistance to Afghanistan.[5] He took this limitation of economic assistance as the point of departure for his ensuing remarks.

(2) The Ambassador emphasized that Afghan economic difficulties grew out of transit trade difficulties with Pakistan whose solution demanded as a prerequisite, a political *rapprochement.*

[5] This letter, which has not been found, probably repeated the reasons outlined in telegram 21 to Kabul, July 24, not printed. The Department explained that funding for economic assistance programs for several South Asian countries had been reduced for fiscal year 1953 to levels which were appreciably lower than those which had been approved for the previous year, and the reductions had to be apportioned accordingly. (889.00 TA/7–1852)

(3) Afghan economic and political life is threatened with being crushed between the upper and nether millstones of Soviet and Pakistan pressures.

(4) The Soviets have recently made clear to the Afghan Ambassador at Moscow their displeasure over oil development plans and operations in northern Afghanistan,[6] and the Afghan Government expected them to make further representations.

(5) The Afghan Government would by no means yield to such pressure in a matter involving its own sovereignty and internal affairs, but felt certain that its rejection of the Soviet representations would be followed by drastic economic sanctions in the curtailment or even the termination of the current barter agreement between Afghanistan and the USSR, upon which Afghanistan is dependent for critically needed petrol supplies for the northern half of the country, and for other essentials. As is well known, the only practical alternative source of such supplies is from or through Pakistan.

(6) Afghanistan and Pakistan cannot live without each other economically, politically or otherwise, and it is time that they came to a mutually advantageous understanding, to preserve stability in the area, which both countries need, and to make sure that the subcontinent does not lose the defensive frontier provided by the Hindu Kush.

(7) Afghanistan–Pakistan differences can be negotiated and the present time is not unfavorable.

(8) Although the GOP had not gone all the way in accepting the U.S. "November 6 approach", the gap to be bridged was not so great that it could not be accomplished with a little assistance from the U.S.

(9) The GOA would be glad to resume conversations on a high level with the GOP and hopes that the U.S. may be willing to take the initiative in bringing them about.

(10) The basis proposed for a resumption of negotiations would be that the two parties should enter into them unconditionally and without prejudice to the previous positions of either Government, in the event that agreement should not result.

The role which it was hoped the U.S. would play, as the reporting officer understood it, would be (*a*) to provide the initiative in having the negotiations resumed and (*b*) to act as an "observer" and to render friendly "advice" to either party when it appeared that either was taking a wrong stand.

The second phase of the conversation, for which the Ambassador did not wish to be held accountable except on an unofficial and personal basis, reverted to conversations which he himself had had with Liaquat Ali Khan[7] in 1947 when, he said, the possibilities of economic, military and other fields of association between the two countries had been discussed. It is the Ambassador's personal view that at the present time there is no reason why, assuming some ultimate, and not necessarily sweeping, concession by the GOP, to the idea of "freedom" or autonomy for Pushtoonistan (not defined) within the borders of Pakistan, the two countries should not proceed with very construc-

[6] For documentation on this subject, see pp. 1447 ff.
[7] First Prime Minister of Pakistan.

tive discussions of their respective, and mutual problems. The time is favorable because both countries now have particularly compelling reasons for doing so; Afghanistan, for the reasons already mentioned and Pakistan for the reason that it was in a parlous state internally, (he mentioned ties with East Pakistan as being very shaky), and particularly needed stability along its western borders in the face of other difficulties. He went on to say he personally believed it entirely possible, along with reaching an understanding regarding the tribal Pushtoons (who were, in fact, independent) for the GOP and the GOA to work out a complete political, economic, and defensive agreement between themselves. He believed that on this basis Afghanistan would be willing to enter into some sort of a federal scheme or confederation which would embrace all three entities, namely Afghanistan, Pushtunistan, and Pakistan. (He did not think that Pakistan's commonwealth connection would stand in the way of an association of this sort.)

It may be mentioned here that, in the course of the conversation, which included many points which have been raised in former discussions of this subject, it was mentioned by the reporting officer that the U.S. had made a protracted but unsuccessful effort to assist in a solution between November 6, 1950 and the latter part of 1951, and it was suggested that some other impartial third power might be in a better position to extend its good offices. The Ambassador replied that in his opinion only a great power such as the U.S. was competent to sponsor the negotiations which he had outlined; moreover, Afghanistan hopes the U.S. will become permanently interested in the survival of South Asian countries against threatened Communist domination. (He also suggested that the U.K. might also be helpful in the course of negotiations, if they should take place.) He said he realized that in Afghanistan's present state of defencelessness, the USSR could move in militarily very easily, given a pretext or even without one, at any time, and he again pointed to this fact as demonstrating the necessity for complete stability, agreement, and cooperation among the South Asian countries.

Considering the long history of U.S. efforts to promote a settlement, and the circumstances of its termination of the "November 6 approach" about a year ago,[8] and other factors, I told the Afghan Ambassador that while the U.S. is always interested in the peaceful adjustment of differences such as those between the GOA and the GOP, I could not offer any assurance of a renewed interest in the exercise of its good offices, but said that I would see that his views were brought to the attention of the Ambassador and the Department, with due regard to those which he indicated were his personal and unofficial opinions.

---

[8] For documentation on the decision of the United States to become less actively involved in the Pushtunistan controversy, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 1929 ff.

The Ambassador also made the interesting observation that since the Security Council had been seized of the Kashmir problem, he had never felt that he should visit Kashmir. (It will be recalled that despite alleged GOA efforts to restrain their own tribal elements in 1947, some of them undoubtedly participated in the Kashmir raids.) However, he felt now that in light of recent developments he could properly do so, and expected to go there in October. He intimated that he would very likely be called upon to make some public addresses, possibly at the University in Srinagar.

689.90D/10–152 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET NEW DELHI, October 1, 1952—6 p. m.

1398. In conversation with Emb officer yesterday afternoon, Acting Foreign Secy R. K. Nehru stated GOI is deeply concerned re recent Sov *démarche* to Afghan Govt, asserting it GOI policy to foster strong and indep Afghan in basic interest of Ind security, which no less than that entertained by Brit when they controlled Ind. Nehru said Pak policy of blocking ingress to Afghan had compelled latter to enter into closer econ and polit ties with USSR, a development inimical to the democracies and definitely contrary to Ind's desires. He therefore considered it in interests of Pak, Ind and Western democracies to persuade Pak to grant unrestricted transit facilities into Afghan. In this connection he observed Pak should be urged to observe terms of "Barcelonan Conv." [2] When Emb officer raised Pushtoonistan question and suggested GOA should be urged to cease using this issue against Pak, Nehru defended Afghan position, asserting these tribespeople never tamed, not even by Brit, and what GOA sought for tribespeople from Pak was their cultural autonomy. Pak, he said, on other hand, wanted GOA to eat humble pie renouncing all interest in tribespeople, something GOA could hardly do. Altho Emb officer pressed point repeatedly Nehru indicated GOI supported GOA position re Pushtoonistan issue and unwilling suggest GOA drop propaganda and other activities.

It seems to Emb Sov action offers good opportunity explore possibility of bringing about better relations between Afghan and Pak. I am seeing PriMin [3] later today and hope to find opportunity discuss matter with him.

BOWLES

[1] This telegram was repeated for information to Karachi, Kabul, and Moscow.

[2] The Barcelona Convention of 1921 provided for the internationalization of navigable waterways that separate or traverse different states. (Whiteman, *Digest of International Law*, III, 879–880)

[3] Jawaharlal Nehru.

689.90D/10–252 : Telegram

The Ambassador in India (Bowles) to the Department of State [1]

SECRET NEW DELHI, October 2, 1952—9 p.m.

1406. During two-hour session this morning, PM himself brought up sitn in Afghanistan and expressed grave concern over recent developments. Nehru stated free Afghan clearly and traditionally essential security India and Russian demands Afghan deeply concerned him.

Nehru stated curious know why Sov Union had suddenly taken this position and he doubted they wld have gone so far unless they intended bring at least severe econ pressure bear on Afghanistan to break their resistance.

Nehru pointed out Afghanistan peculiarly vulnerable econ pressure brought by Sov at this time because of what he described as "Pak blockade" Afghan. Nehru urged US bring all possible influence bear on Pak to facilitate free transport into Afghan and assist every practical way strength their position vis-à-vis Sov Union.

Stated it most unfortunate question of Pushtoon tribesmen cld not be settled or at least temporarily eased encourage more favorable action part GOP.

Nehru suggested possibility comm might be set up to study Pushtoon problem and make recommendations to two govts and that perhaps on basis such action Pak cld be induced give Afghan support that may be so essential during next few months. Of course, it wld be mistake any discussion with Pak to touch on Nehru's views.

Wld appreciate reaction Dept and Emb Kabul and Karachi of Nehru's remarks and suggestions on anything we can do here.

BOWLES

[1] This telegram was repeated for information to Kabul, Karachi, and London.

689.90D/10–552 : Telegram

The Ambassador in Pakistan (Warren) to the Department of State [1]

CONFIDENTIAL KARACHI, October 5, 1952—1 p. m.

536. In conversation with FonMin [2] this morning Zafrulla reviewed current Pak attitudes towards Afghan. He reminded me that I had had a conversation with Gurmani,[3] Min of Interior and Min of States and Frontier Provinces, on Friday fol Gurmani's return from his visit to Afghan frontier, and said that in a mtg held yesterday between

[1] This telegram was repeated for information to New Delhi and Kabul.
[2] Sir Muhammad Zafrulla Khan.
[3] Mustaq Ahmad Gurmani.

him and Gurmani with the assistance of the Secy of Info [4] it was agreed that Pak policy towards Afghan wld be oriented to being most helpful towards the success of Pak Ambassador Shah stationed at Kabul. Ref Delhi's 48 Oct 2.[5]

Instrs have been given that Radio Pak shall exercise the greatest care on commenting on events in Afghan and that every effort shall be made to smooth rather than ruffle relations between the two countries.

Zafrulla said he himself expects on his arrival in NY, as Chief of Pak Delegation UN, to renew to the principal Afghan Del the offer he made at last winter's sesssion in Paris to give most sympathetic consideration to any suggestion by Afghans to trade and particularly to trade between the two countries. He reports that no specific proposals have come forth from Afghanistan nor have there been so far any suggestions of a mtg of minds of those responsible for trade between the two countries to facilitate intercourse and communications. He hopes that Shah while in Kabul may make some forward steps in this direction and that as a result the econ conditions of the people, particularly in South Afghan, will be improved. He offered no comment on Soviet relations between [*with*?] Afghan.

WARREN

[4] The Minister of Information and Broadcasting was Dr. Ishtiaq H. Qureshi.
[5] Same as telegram 1406, *supra*.

689.90D/10–252 : Telegram

The Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, October 6, 1952—2:03 p. m.

1010. Embtel 1406 Oct 2 Deptel 954 Sep 30.[2] Appreciate offer ur reftel but Dept does not wish Afghan-Pak relations to be subj official US GOI discussion at this time. It has been apparent for some time GOI not disinterested third party either to Pushtoonistan dispute or Afghan-Pak relations in gen. Nehru's comments reflect GOA propaganda output, even including ref to "Pak blockade", favorite Afghan cliche.

Despite Depts serious reservation Indian attitude in Pak-Afghan relations it has no objection ur advancing in informal conversation with appropriate Indian officials ur belief GOA as minimum earnest its sincere desire accomplish *rapprochement* with Pak shld reciprocate latter's action by sending Amb to Karachi. Once that is done no

[1] Drafted by Percival and Metcalf, cleared by Smith, repeated to Kabul as telegram 124, to Karachi as telegram 528, and to London as telegram 2433.
[2] In telegram 954 to New Delhi, the Department instructed the Embassy not to become involved in a discussion of the Pushtunistan issue with the Indian Government. (689.91/9–3052)

reason why those govts, both equally aware Sov menace South Asia, cannot initiate conversations on their own re mutual problems.

Depts instrs to Kabul (Deptel 112 Sep 29) [3] pouched Delhi.

ACHESON

[3] *Post*, p. 1454.

689.90D/10–2452

Memorandum of Conversation, by the Acting Secretary of State [1]

SECRET [WASHINGTON,] October 24, 1952.

Subject: Ambassador Naim's Statement of Situation in View of the Soviet *Démarche* Concerning Afghan Oil Drilling Plans

Participants: Mr. Bruce, Acting Secretary
H. R. H. Sardar Mohammad Naim, Ambassador of Afghanistan
Mr. Etemadi, First Secretary, Embassy of Afghanistan
SOA—Mr. Metcalf

The Ambassador called on me today to describe his Government's position in the light of the recent Soviet *démarche* to Afghanistan protesting against the latter's UN-sponsored oil drilling plans.

He began by going at some length into the history of Afghan-Pakistan relations and the central issue of Pushtoonistan. The Ambassador said that the British gave assurances to Afghanistan that its interest in the future of the Pathans in the Northwest Frontier Province of British India would be taken into account at the time of the partition of India. In a referendum to determine the wishes of the Pathans only two choices were open to them: accession to India or to Pakistan. Afghanistan's contention is that a third option should have been offered, namely, that of a free Pathan nation. The Ambassador said that ever since partition Afghanistan's efforts to induce Pakistan to discuss the status of the Pathans have met with failure. In the meantime (he continued) Pakistan has been imposing an "economic blockade" against Afghanistan which has resulted in steady economic deterioration.

The Ambassador explained that one of the principal outside needs of Afghanistan is gasoline, and that in the light of Pakistan's "economic blockade" two sources were open to it. It could either explore for oil within its own boundary, or it could look to the Soviet Union as a supplier. Some drilling activity was begun shortly before World War II, but it was terminated when hostilities broke out. Finally, after the war Afghanistan concluded a barter arrangement with the

[1] Drafted by Metcalf and initialed by Bruce, indicating his approval.

Soviet Union in order to obtain a supply of petroleum products from that country for the northern area of Afghanistan. Subsequently it decided to resume oil exploration activities, using French technicians under UN auspices. It was this decision that provoked the recent Soviet *démarche*.

The Ambassador said that on behalf of his government he wanted to make it clear that he did not intend to play on the theme of the Soviet menace in his talks with the Department. However, the fact remains (he went on to say) that the Soviets know that Afghanistan's sources of supplies from the south are "blocked" and that it must rely upon the Soviets for essential items. This is the position that Afghanistan finds itself in today, the Ambassador said, adding that his government has instructed him to explain the position to the State Department and to ask for its "opinion."

I said that it seemed to me that the most desirable move now is to send an ambassador to Pakistan as a necessary step in the resumption of the negotiation of outstanding problems. I observed that there are other means of solving issues, such as mediation and arbitration, but that settlement by diplomatic negotiation should be attempted first. In this effort the US would be glad to lend its support. The Ambassador replied that envoys had been exchanged by the two governments after Pakistan became sovereign in 1947, but after it became evident that Pakistan would not agree to talk about Pushtoonistan, Afghanistan withdrew its ambassador. Subsequently the United States made an informal attempt by its *démarche* of 1950 to get the two countries to agree to discuss their mutual problems; the Ambassador said that this effort failed because of Pakistan's rejection of the offer.

I asked Mr. Metcalf if he had any observations to make at this point. He remarked that it was his understanding that the Pakistanis are willing now to talk to the Afghans about all their common problems. The Ambassador said that the phrase "all common problems" is too vague. I said that the Afghans might well send an ambassador to Karachi to see just how vague it is.

I then suggested that for the moment we put aside the problem of Afghan-Pakistan relations and turn to the Soviet *démarche*. I said that it was well known that the Afghans are a proud people and resent interference into their domestic affairs by anyone. Their rejection of the *démarche* reflected this spirit and, in the Department's opinion, it was the wise and proper course to follow. I then asked the Ambassador what, in his opinion, the Soviets would do if Afghanistan went ahead with its oil drilling activities in northern Afghanistan or, alternatively, what would they do if the Afghans proceeded with other types of developmental activity in that area under UN auspices. The Ambassador parried with the assertion that essentially it was not a

question of what the Soviets might or might not do under given circumstances, but it is a question of what the Soviets know they can do since the Afghans are "sealed off" in the south and must depend upon the Soviets for essential supplies.

I said that it seems to me that the Ambassador's exposition poses a primarily political problem rather than an economic one, and that accordingly a solution would seem to lie in the improvement of relations between Afghanistan and Pakistan. The Ambassador intimated that Afghanistan would welcome any effort by the United States to persuade Pakistan to accept an Afghan ambassador with the understanding that Pushtoonistan would be a subject of discussion.

The conversation was concluded with my assurance that we would consider carefully the Ambassador's exposition, after which we would talk further with him on the subject.

689.90D/10–2952

Memorandum of Conversation, by William Witman of the United States Delegation at the United Nations [1]

TOP SECRET [NEW YORK,] October 29, 1952.

Subject: Afghanistan–Pakistan Relations

Participants: H.R.H. Prince Naim, Afghan Ambassador to U.S.
H. E. Mohammed Kebir Khan Louddin, Chairman of Afghan Delegation to UN General Assembly
The Secretary
Mr. Plitt, US Delegation
Mr. Witman, US Delegation

Prince Naim and Mr. Louddin called at their request on the Secretary at 10:45 this morning.

Mr. Louddin referred to the conversation which he had had on October 23 with Mr. Plitt, and to the appointment which Ambassador Naim had had on October 24 with the Under Secretary. He then proceeded to read, with frequent verbal interpellations, a long statement, copy of which is attached hereto.[2]

The statement opened with a reference to the recent Soviet *démarche* regarding petroleum exploration and exploitation in northern Afghanistan, and cited the view of the Afghan Government that the *démarche* was a "logical consequence" of the "strained relations" between Afghanistan and Pakistan, which had adversely affected political, economic and social conditions in Afghanistan.

---

[1] William Witman was the Officer in Charge of India–Nepal–Ceylon Affairs and an Adviser to the U.S. Delegation to the Seventh Session of the UN General Assembly.

[2] Not printed.

The statement then dealt at length with the historical origins and present status, by Afghan lights, of the Pashtoonistan dispute with Pakistan. It observed that the Soviet authorities, who were fully aware of their predicament, might "wish to exploit it realistically in a political sense." Thus, there existed a "critical situation" for Afghanistan, far reaching in its influence for peace and security in that part of the world. The Afghan economy was deteriorating, and the political situation resulting from the strained relations with Pakistan had resulted in dangerous restiveness and tension among the peoples of Afghanistan.

Expressing appreciation for the U.S. Export-Import Bank loan,[3] the statement recounted the various measures of economic development which the Afghan Government has taken, including the petroleum project which has had to be stopped as a result of the Soviet note. The Afghan Government has "answered" that note, but is also "conscious of the risks" of such an answer to the Soviet Government.

The statement went on to declare that if the Pashtoonistan problem were solved, the whole region would enter upon a new era of harmonious cooperation "which would result in the joint economic development and prosperity." In that event, it said, "the whole region can be considered as one economic and security unit," increasing its political stability and assuring its security. With "farsighted statesmanship" on the part of responsible authorities of Pakistan, an unrestricted plebiscite might provide a solution, as demanded by Pakistan in the case of Kashmir.

In conclusion, the statement "respectfully requests the expression of an opinion by the friendly Government of the United States of America."

When the reading of the statement had been concluded, the Secretary inquired precisely what it was that we were being asked to express an opinion on. Prince Naim and Mr. Louddin expanded somewhat on the points made in the statement, and mentioned the great assistance rendered by the good offices of the United States in connection with the Helmand River problem with Iran.[4] They also expressed appreciation for our earlier efforts at good offices with Pakistan, and said that Afghanistan had stood ready to accept them but

[3] On Nov. 23, 1949, the Export-Import Bank approved a loan to Afghanistan of $21,000,000 to cover the construction costs of the Kajakai Dam, completion of the Boghra canal system, and such subsequent river development and irrigation projects in the Helmand and Arghandab valleys as might later be approved by the Bank.

[4] In February 1948, the United States tendered its informal good offices to facilitate a settlement of the dispute between Afghanistan and Iran concerning the distribution of the waters of the Helmand River. A basis for a settlement of the problem was ultimately established when the Helmand River Delta Commission submitted its report to the Governments of Afghanistan and Iran on Feb. 28, 1951. For a full discussion of these developments, see the editorial note in *Foreign Relations*, 1950, vol. v, p. 1459.

Pakistan had refused. They now hoped that the United States would be able to suggest means by which the Pashtoonistan question could be solved.

The Secretary stated that their views would be carefully studied and that he would be pleased to discuss the matter further with them after he had consulted his staff.

It should be noted that in the statement and subsequent conversation, Mr. Louddin and the Ambassador did not go as far as Mr. Louddin did in his conversation with Messrs. Plitt, Witman and Fluker on October 23. (See top secret Memorandum of Conversation of that date.)[6]

[6] Not found in Department of State files.

689.90D/11–452

Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan) to the Under Secretary of State (Bruce)

SECRET [WASHINGTON,] November 4, 1952.

Subject: Pushtoonistan Question with Pakistani Ambassador

Several days ago you asked me whether it would not be a good idea for you to call in the Pakistani Ambassador and talk to him about the possibility of arranging for discussions between Pakistanis and the Afghans on the Pushtoonistan question. As you will recall, the Pushtoonistan question is a subject very much on the minds of the Afghans who have taken it up both with you and the Secretary in New York.

On investigation, I find that SOA does not believe it would be helpful to broach the matter to the Pakistanis at the present time. Past experience, it seems, has shown that they will resolutely refuse to consider any discussion of this question, which directly affects the territorial integrity of Pakistan. A little less than a year ago we made a suggestion to both parties that they sit down to talk about the problem and we offered our good offices.[1] The Afghans accepted but the Pakistanis gave us a flat rejection and were extremely resentful of what they considered to be our gratuitous intervention. It took us some time to get off the hook.

A further consideration is that in our view the Afghan position is an unreasonable one, and if we urge discussion between the parties it will be taken by the Afghans as encouragement.

In the light of the foregoing, it seems best to me to let this question rest so far as the Pakistanis are concerned until and unless there is some new and hopeful development.

[1] The reference is to the U.S. initiative of Nov. 6, 1950 rather than 1951; see footnote 4, p. 1366.

689.00/11–1352 : Telegram

The Ambassador in Afghanistan (Ward) to the Department of State [1]

SECRET KABUL, November 13, 1952—6 p. m.

266. King's formal remarks on occasion my presentation Nov 8 [2] contained no statement of tele import. During our colloquy fol formal presentation King talked almost uninterruptedly for half hour. Remarks limited, however, to statement of admiration for, friendship toward and confidence in US, thanks for US constructive interest in and aid to country, and lengthy dissertation on need fusing interests of isolated areas and diverse peoples this country through improved highway system promoting more rapid travel and goods exchange. Project of warmest interest is building new highway from Charikar to Pul-I-Khumri via Khinjan, some 100 kilometers, thereby shortening present Charikar Pul-I-Khumri highway between Cis and Trans-Hindu Kush by some 150 kilometers.

Delivered message Deptel 141 Oct 11 [3] yesterday to FonMin, who stated econ development Trans-Hindu Kush will continue as vigorously as physical and fin circumstances permit, but early renewal petroleum exploration not contemplated. He, too (FonMin was present at my conversation with King) voiced need for improved highway between Cis and Trans-Hindu Kush to strengthen natl econ and to give compensatory benefit to country's most important revenue producing area in North which not being immed benefited by Helmand Project in South.[4] He voiced country's thanks and warmest appreciation US and UN assistance, and made passing mention need for assistance in approaching wheat crisis (Embtel 254 Nov 5).[5] FonMin made but passing mention of US *démarche* of Nov 6, 1950 in his thanks for US interest and assistance his country. He was flowery in comments on US efforts for world peace and betterment of mankind. He stated govt not prepared send Amb Karachi unless Paks indicate willingness discuss Pashtunistan question (in fact, he used word "negotiate" almost as frequently as "discuss"). He held forth in hour long monologue this question, during course which he stated were Paks to evince conciliatory attitude Afghan would probably "tomorrow or day after" send mission or high official to Karachi for exploratory discussions. He referred to Sov threat to Iran and Commie threat to India and implied quite clearly they are influences toward

---

[1] This telegram was repeated for information to Karachi, London, and Moscow.

[2] Angus Ward was appointed Ambassador to Afghanistan on June 27, succeeding George R. Merrell.

[3] *Post*, p. 1462.

[4] See footnote 4, p. 1379.

[5] See footnote 4, p. 1464.

ultimately forcing Pak conciliation in settlement Pashtun question for reason Pak survival dependent on coexistence non-Commie Afghan, and for this reason Pak will continue refrain from econ pressure for throttling which may create want in Afghan sufficient entail discontent and create disorder exploitable by USSR. If FonMin's contention valid wld seem to explain feeling [I heard?] in conversation with Gov Gen at Karachi and Gov at Peshawar that notwithstanding their bold phrases, *inter alia* "we could crush Afghan out of hand if we so wanted." Paks too may feel they are "riding the tiger" in Pashtunistan question.

Delivered Sec State's greeting (Deptel 72 Sept 4)[6] to PriMin this morning, which he reciprocates warmly. He stated petroleum explorations suspended for "these days only" and will be resumed shortly because urgent need country bolster its earning power. He made brief mention wheat situation and expressed hope US will see fit give needed assistance. My mention Pashtunistan launched him on half hour uninterrupted dissertation. PriMin stated send Amb to Karachi without prior public statement by Paks that Pashtun question would be discussed would be interpreted by populace as GOA abandonment brother Afghans across border and would arouse populace to excesses (although statement may be far fetched, there is possibility Pashtun creature has become master of creator, as not infrequently happens with artificial bugaboos). He stated Pashtun question has magnified itself in sentiments of Afghans "like pellet of snow rolling down mountain side." Were GOPak indicate willingness toward conciliation of Pashtun question, GOAf stands prepared send exploratory mission or govt official Karachi, but will not send Amb without unequivocal indication willingness discuss question (PriMin unlike FonMin did not use word "negotiate," but his command English less broad than FonMin). He added that even though discussions non-productive of result for "a month, a year, two years or more," GOAf would continue them (*Comment:* Discussions would break impasse and afford face-saving escape.) PriMin stated whereas no Commies in country 15 years ago, such not case today and young people are falling away from Orthodox Religion and many turning to Communism. Any indication GOAf turning away from Pashtunistan would, PriMin feels, be used by Commies as strong anti-govt propaganda weapon. (*Comment:* Highly questionable reasoning.) He estimated that "imperialistic tendencies" of and menace mounting Communism in India may cause GOPak evidence conciliatoriness in Pashtun question, but at same time be alleged realization continuation this open sore weakens Afghan vis-à-vis USSR. He referred US Nov 1950 offer good offices, but gave impres-

[6] In telegram 72 to Kabul, the Department instructed Ambassador Ward to convey the Secretary's best wishes to the Afghan Prime Minister and to urge that Afghanistan appoint an ambassador to Pakistan. (123 Angus Ward)

sion he now considers them no longer active. Only sharpness of word and tone throughout conversation was when PriMin commented on vilification of King, govt and Afghan ancestry constantly published in pub *Azad Afghan* at Peshawar (Embtel 187, Oct 7, para 3).[7]

WARD

[7] In telegram 187 from Kabul, not printed, Chargé Horner reported on a meeting with British Ambassador Lingeman and Pakistan Ambassador Shah to discuss the Pushtunistan problem and Soviet pressure on Afghanistan. (689.90D/10-752)

690.90D/11-2652

Memorandum of Conversation, by the Director of the Office of South Asian Affairs (Kennedy)[1]

SECRET [WASHINGTON,] November 26, 1952.

Subject: Pakistan's Relations with Afghanistan, Turkey, and the Middle East.

Participants: Mohammed Ali, Ambassador of Pakistan
SOA—Mr. Kennedy
SOA—Mr. Metcalf

I asked Mohammed Ali to see me this morning before he leaves for New York to board the "Queen Elizabeth" enroute to London to attend the Commonwealth Prime Ministers' conference. Primarily, I wanted him to arrive in London with two or three thoughts fresh in his mind, including some on Pakistan–Afghanistan relations, Pakistan–Turkish relations, and a reaffirmation of our belief in the advantages of Pakistan's progressively closer interest in Middle East affairs.

I gave the Ambassador a piece of paper containing some language which I described as perhaps being worthy of consideration by Afghanistan and Pakistan as the basis of a formula by which an Afghan ambassador could be named for Pakistan. (This is the same language that was furnished to Sir Zafrulla by Mr. Byroade during their conversation of November 22.)[2] The text of the formula, which is designed to overcome the insistence of Afghanistan to have the Pushtoonistan issue specifically and publicly accepted as a condition precedent to the nomination of an ambassador, reads as follows:

"Pakistan is agreeable to discussing with Afghanistan through diplomatic channels the welfare of the Pushtu-speaking people on both sides of the frontier."

I said that the Pakistan Government deserved compliments for its recent gestures of conciliation toward Afghanistan, and reiterated the Department's belief that Afghanistan may well be taking a hard look

[1] Drafted by Metcalf.
[2] No memorandum of this conversation has been found in Department of State files.

at its attitude on the Pushtoonistan issue as a result of the Soviet *démarche*.

By way of transition I observed that it seemed to me that Pakistan had still another interest in improving its relations with Afghanistan: the salutary effect it would have on other Moslem countries of the Middle East. I said that it was our impression that some of these countries seemed hesitant to support a closer association by Pakistan with the Middle East (in some kind of Middle East defense organization, for example) so long as Pakistan is involved in controversies with other friends of the Middle East.

I went on to say that we believed that Pakistan–Turkish relations in particular could be very beneficial as a stabilizing factor in the Middle East and that Pakistan should explore all means of moving closer to Turkey, including perhaps the training of some of its military personnel in Turkey.[3] The Ambassador interjected at this point that this might not be practical in view of the language problem and in view of the different structure of the Pakistan Army which is patterned after the British system. I suggested that nevertheless the merits of such a program might be examined by Pakistan military people.

I then reminded the Ambassador that Turkey places quite a bit of importance on its status as a lay state, and that we hoped that Pakistan's relations with Turkey would take this factor adequately into consideration. Specifically, we hoped that the recently accredited Pakistan Ambassador to Turkey, whose ultra-religious activities were observed for some years in Tehran, would accommodate himself to the new lay environment of Turkey.

Finally, I reminded the Ambassador of his inquiry in the possibility of expediting shipments of 76 MM shells to Pakistan for use in Sherman tanks which they purchased from us. I said that we had reminded the Defense Department again of Pakistan's need for a minimum number of this ammunition for training purposes.[4]

Upon departing, the Ambassador said that he would talk to his Prime Minister in London on the subjects of our conversation today.

689.90D/12–552

Memorandum of Conversation, by the Director of the Office of South Asian Affairs (Kennedy)

SECRET NEW YORK, December 5, 1952.

Subject: Afghan-Pakistan Relations.

[3] For documentation on the U.S. desire to promote closer relations between Pakistan and Turkey, see volume IX.

[4] For documentation on U.S. military aid to Pakistan, see pp. 1818 ff.

Participants: H. E. Mohammed Kabir Louddin, Chairman of the Delegation of Afghanistan to the United Nations General Assembly
Mr. Donald D. Kennedy, SOA

Mr. Louddin, head of the Afghan Delegation to the UN, invited me to lunch in order that we could have some informal conversation. He was obviously interested in continuing the discussion of Afghan-Pakistan relations which he started in November with Messrs. Plitt, Witman and Fluker.[1]

I raised certain questions with regard to the proposal for a federation involving Pakistan and Afghanistan which Mr. Louddin had put forward on the occasion of the previous conversation. In response to a query as to what interest Pakistan would have in such a federation, Mr. Louddin inferred that without a solution of the Pushtu issue, there would be continued and increased effort on the part of Afghanistan to antagonize the Pathans under Pakistan sovereignty and that ultimately this would likely cause Pakistan considerable difficulty. It would be therefore in Pakistan's interest to resolve the issue now, and federation offered this opportunity. I referred to the fact that he had said in the earlier conversation that under federation Pushtoonistan would fall into place and asked if by that he meant that the federation would be one involving three states—Afghanistan, Pakistan and Pushtoonistan. Mr. Louddin said that this was correct. I remarked to Mr. Louddin that it seemed to me that continuation of violent anti-Pakistan propaganda could only have the effect of making more difficult a solution of the Pushtoonistan issue. I wondered why it was that the Government of Afghanistan continued this campaign at the time they were saying they desired to establish more friendly relations with Pakistan as an offset to their neighbor to the north. Mr. Louddin replied there were elements in Afghanistan which were in opposition to the present government and would seize any opportunity to make difficulty for the government. A cessation or marked reduction in propaganda would be seized by these elements as indicative of the fact that the government had "sold out" to Pakistan. This chance his government could not afford to take.

I asked Mr. Louddin if he had any ideas as to what his government would like the US Government to do under the present circumstances, to which he replied that he thought the US should re-establish its November 6 approach to the two governments. (The US had suggested four steps for improving relations between the two countries, including as the final one the holding of a meeting between representatives to discuss common problems, but without any agreed upon agenda.)

[1] No memorandum of this conversation has been found in Department of State files.

He added that he understood a delegation would go to Karachi in the near future to discuss mutual problems relating to the Pustu speaking tribes, and he hoped that the GOP would not rebuff this group.

SOA files, lot 54 D 341, "Political Affairs—General"

The Director of the Office of South Asian Affairs (Kennedy) to the Ambassador in Turkey (McGhee)

CONFIDENTIAL [WASHINGTON,] January 7, 1953.

OFFICIAL–INFORMAL

DEAR GEORGE: Your letter of December 19, 1952, enclosing a memorandum of conversation with the Afghan Ambassador to Ankara, General Assadullah Khan Seraj, was indeed interesting.[1] The Ambassador's views are almost identical with those expressed by the Prime Minister and Foreign Minister to our Ambassador in Kabul, by the Afghan Ambassador here to the Secretary and Under Secretary in recent conversations, and by the Afghan Ambassador in India to Ambassador Bowles. In talking to the Afghans, we have maintained the position that it seems desirable for the Afghan Government at this time to send an ambassador to Karachi to reciprocate the despatch of a Pakistan Ambassador to Kabul. We believe that during the past few months, until the recent bombing incident at least,[2] there were signs of an improving atmosphere between the two countries. Keeping in mind our unproductive November 6, 1950, approach to Afghanistan and Pakistan, we wish to refrain from putting the US in the middle again. On the other hand, we did suggest to Sir Zafrulla, before he went to the Commonwealth Prime Ministers' Conference, some wording of a formula by which the Afghans might be induced to name an Ambassador to Karachi. Unfortunately the most difficult problem is trying to show the Afghans that the root cause of their difficulties is not the policy of the Government of Pakistan, but rather it is the issue of "Pushtoonistan" which, created by Afghanistan, continues to annoy Pakistan and thus to be disadvantageous to Afghanistan. We now expect to continue to urge the Afghans to send an ambassador to Karachi and to emphasize the need for improved Pakistan–Afghanistan relations in the interest of Afghanistan's own security vis-à-vis the USSR.

Very best wishes for the New Year.

Sincerely yours, DONALD D. KENNEDY

---

[1] Not found in Department of State files.

[2] In telegram 353 from Kabul, Dec. 18, 1952, not printed, the Embassy reported on a series of bombings between Dec. 7 and 10 by Pakistan aircraft designed to disperse Afridi and Orakzai tribesmen gathered in Pakistan territory near the Afghanistan border under the leadership of Wali Khan, who was described by the Embassy as a "known GOA agent". (789.00(W)/12–1852)

689.90D/1–2753

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade)[1]

SECRET [WASHINGTON,] January 27, 1953.

Subject: Pushtoonistan Formula.

Participants: Mr. Henry A. Byroade, Assistant Secretary
His Excellency Sir Zafrulla Khan, Pakistan Foreign Minister
Mr. Donald D. Kennedy, SOA

Sir Zafrulla referred to our previous conversation, at which time I had suggested a formula by which the Afghans might be induced to send an ambassador to Karachi.[2] He had discussed this with his Prime Minister, and the following was acceptable: "Pakistan is agreeable that it would be discussing with Afghanistan through diplomatic channels welfare of tribal people of two countries on both sides of Durand Line."[3]

I asked if his government would approach the Afghan Government on this, to which Sir Zafrulla replied in the negative. I said that Pakistan's acceptance of this formula was very helpful and we would consider further use to make of the statement.

---

[1] Drafted by Kennedy and initialed by Byroade, indicating his approval.
[2] See the memorandum of conversation by Kennedy, Nov. 26, 1952, p. 1383.
[3] The boundary line between British India and Afghanistan drawn up by a British mission under Sir Henry Mortimer Durand and agreed to by Amir Abdur Rahman Khan of Afghanistan on Nov. 12, 1893. For the text of the agreement, see *British and Foreign State Papers*, vol. 95, 1901–1902, p. 1049; or India, Foreign and Political Department, *A Collection of Treaties, Engagements, and Sanads Relating to India and Neighboring Countries* (Calcutta, Government of India Central Publication Branch, 1933), vol. XIII, p. 256.

689.90D/2–953 : Telegram

The Secretary of State to the Embassy in Afghanistan[1]

CONFIDENTIAL WASHINGTON, February 9, 1953—7:01 p. m.

339. Foreign Minister Pakistan in conversation in Dept authorized use following language in our discussing with GOA sending Afghan Amb Karachi: "Pakistan is agreeable that it would discuss with Afghanistan through diplomatic channels welfare tribal people of two countries on both sides Durand Line."[2] Not entirely clear if Govt of Pakistan agreeable public release by Afghanistan above statement at time Amb is designated but believe such use probably acceptable

---

[1] Drafted by Metcalf and Kennedy, approved for transmission by Byroade, repeated to Karachi as telegram 1159.
[2] See the memorandum of conversation by Byroade, Jan. 27, *supra*.

since Zafrulla indicated Pakistan would not deny above statement if made.

Suggest unless you perceive serious objection you give appropriate GOA official above quoted statement making fol comments: 1) US hopes GOA will find it possible send Amb Karachi near future and believes above indication Pakistan attitude very helpful. 2) This not a renewal of our 1950 good offices effort but expression our continuing desire improvement relations which of lasting benefit Afghanistan. If question arises indicate US would not wish to be intermediary this matter. 3) Naming Amb Karachi particularly desirable now in view increased pressure from USSR, necessity close working relations in expediting US wheat shipments through Pakistan, and possibility increased chrome ore shipments. 4) This also in pursuance Amb Naim's statement in Dept last fall that GOA would welcome any effort by US to help improve Afghan-Pakistan relations.[3] 5) Suggested language known to GOP. 6) Would hope GOA would consult with GOP on question publicity in connection nomination Ambassador.

You should consult with Amb Shah before you approach GOA in event he may be in midst operations which US approach might jeopardize. Entirely possible Shah, as well as Pakistan Foreign Office, has no knowledge this matter. Hence you should give him background para one this telegram and if he has reasonable objection to timing or to approach itself please advise with recommendations repeating to Karachi.

If you have reason believe there is substance in para one Moscow telegram 2 Feb 2[4] and that GOA is on verge naming Amb to Karachi you should not make this approach to GOA pending further information. Cable when approach made so Dept can inform both Afghan and Pakistan Embassies here and Karachi can inform Foreign Office.[5] If approach not made because of objection by Shah, Dept will advise Karachi appropriate action to take with Foreign Office.

DULLES

[3] See the memorandum of conversation by Bruce, Oct. 24, 1952, p. 1376.
[4] In telegram 1104 from Moscow, repeated to Kabul as telegram 2, the Embassy reported a rumor to the effect that the Afghan Ambassador in Moscow was about to be appointed Ambassador to Pakistan. (601.8961/2–253)
[5] See telegram 494 from Kabul, Feb. 14, p. 1390.

689.90D/2–1253

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade)[1]

CONFIDENTIAL [WASHINGTON,] February 12, 1953.

Subject: Problems in Afghanistan–Pakistan Relations

[1] Drafted by Percival.

Participants: HRH Sardar Mohammad Naim, Ambassador of Afghanistan
Mohammad Hashim Khan Maiwandwal, Counselor of Afghan Embassy
NEA—Mr. Byroade
Mr. Jernegan
SOA—Mr. Percival

Ambassador Naim called to introduce his new Counselor, Mr. Maiwandwal, to Mr. Jernegan and myself. After the usual exchange of amenities, the Ambassador asked if the Secretary planned to make a visit to South Asia as the newspapers had recently suggested. I replied that I understood the Secretary was occupied with matters of Departmental reorganization and would have to attend a NATO meeting in April. Consequently I did not believe he had any firm plans for visiting in our area although I was sure he would like to do so as soon as circumstances permitted. Mr. Jernegan pointed out that although press reports suggested that the purpose of the trip would be to develop some form of Far Eastern or Asiatic defense pact, he was unaware of the existance of such plans. The Ambassador also asked when I was planning to go to South Asia. I replied that I had hoped to go in February. Unfortunately that was impossible and I now had no firm idea as to when I could make such a trip.

Referring to his conversations last October with Secretary Acheson and Under Secretary Bruce re the Soviet pressure on Afghanistan over oil exploration and the difficulties Afghanistan faces because of strained Afghanistan–Pakistan relations,[2] the Ambassador said that he understood that because of the problems attendant upon a new administration and possible Departmental reorganization it had been impossible to transmit to him the American "opinion" on his presentation of the problems last fall. His interest in US views on this matter continued, however. I replied that our interest in the problems of Afghanistan–Pakistan relations continues and we still hope that the Afghan Government will find it possible to send an ambassador to Karachi to discuss mutual problems through normal diplomatic channels.

The Ambassador then referred to the December bombing incidents in Pakistan tribal territory, in "Pushtoonistan," as he said, which incidents, the Ambassador felt, showed that there were people in the tribal territory who were dissatisfied with GOP's policies. Pakistan had said that the group, who were bombed while attending a peaceful normal tribal Jirga to settle their own affairs, were led by an outlaw, Wali Khan. Irrespective of Wali Khan's presence at the Jirga or his status as far as the GOP was concerned, the incident established that there

[2] See the memoranda of conversation by Bruce, Oct. 24, and by Witman, Oct. 29, 1952, pp. 1376 and 1378, respectively.

were those opposed to the Government of Pakistan in the tribal area, as Afghanistan had long asserted. He felt that such an incident could only serve to exacerbate Afghanistan–Pakistan relations. The Ambassador asserted that Afghanistan was always willing to discuss its problems with the Government of Pakistan. However, when his uncle, H.R.H. Sardar Mohammad Hashim Khan, former Afghan Prime Minister, had accepted an invitation extended by the GOP to visit and to hold discussions in Karachi enroute to the United States in December he found upon arrival in Karachi that there was no official with whom to talk. Sir Zafrulla was at the UN, Prime Minister Nazimuddin was in London and the Governor General was up in Lahore. About two weeks ago Sir Zafrulla asked Hashim Khan to stop in Karachi enroute home from the United States. Hashim said he would be willing to accept if there was someone there to talk to. He appreciated Pakistan's courtesy and hospitality but he couldn't discuss mutual Afghan–Pakistan problems unless ranking government officials were present in Karachi.

I said that I had talked generally on the question of Afghan–Pakistan relations with Sir Zafrulla some two weeks ago and he seemed to be quite open minded.[3] I assured the Ambassador of our continued interest in the improvement of Afghanistan–Pakistan relations and that we would inform him when we had something on the subject which would be of interest to him.

[3] See the memorandum of conversation by Byroade, Jan. 27, p. 1387.

689.90D/2–1453 : Telegram

The Ambassador in Afghanistan (Ward) to the Department of State [1]

CONFIDENTIAL KABUL, February 14, 1953—6 p. m.

494. Embtel 484 (to Karachi 96) February 11.[2] Conferred Foreign Minister today pm, Prime Minister absent at Jalalabad.

Foreign Minister brushed aside GOP Foreign Minister's proposal as Pakistan attempt obtain GOA recognition pre-partition British-imposed frontier status and delimitation. He held forth in hour dissertation (without characteristic Afghan fiery emotionalism on Pashtunistan but nevertheless some approach thereto). Asserted no need for GOP discuss welfare people within Afghanistan. Maintained no "tribal people" today in Afghanistan along Durand line for reason people along line have precisely same status (except liability to mili-

[1] This telegram was repeated for information to Karachi.

[2] In telegram 484 from Kabul, the Embassy reported that the Pakistani Ambassador in Kabul saw no reason to delay the approach to the Afghan Foreign Ministry authorized in telegram 339 to Kabul, p. 1387. (689.90D/2–1153)

tary service) as people elsewhere in Afghanistan. I mentioned Afghan people along line would benefit from GOA–GOP agreement and coordinated effort on defense, highways and other communications, trade, transit traffic, grazing rights et cetera, but in main did not advance arguments in light his evident oversensitivity. He asserted prerequisite any GOA–GOP discussions Pashtunistan must be Pakistan formal statement "political status people Pashtunistan is problem between two governments and will be discussed by governments concerned." Although he inferred appointment Ambassador Karachi continues dependent on Pakistan willingness discuss Pashtunistan, although did not so state specifically, but did state GOA not contemplating such appointment. He stated Afghans aware Pashtun issue "disastrous" both GOA and GOP, but added "there are factors in life of a people higher than material welfare." He evidenced no reaction to points set forth under 3 in second paragraph reference telegram.[3] Concluded with emphasis "proposal Zafrullah Khan can never serve as basis for discussion between GOA and GOP." Expressed GOA deep gratitude US for efforts bring about solution vexatious Pashtun problem.

WARD

[3] Reference is to telegram 339, Feb. 9, p. 1387.

689.90D/2–1753 : Telegram

The Ambassador in Afghanistan (Ward) to the Department of State [1]

SECRET KABUL, February 17, 1953—10 a. m.

501. (1) I have impression Foreign Minister's rather categoric rejection Pakistan proposal for negotiation Pakistan-Afghan differences Pushtoonistan issue (Embtel 494 Feb 14, repeated Karachi as 99) [2] may have reflected hardening GOA attitude as result Pakistan bombing Afridi tribesmen last December. Fact that Foreign Minister, who certainly one of more moderate GOA leaders, insisted adamantly on formula for bilateral discussion virtually certain unacceptable today GOP augurs ill for early settlement what Foreign Minister himself termed "disastrous" situation both governments. Despite Foreign Minister's expression gratitude for US efforts bring about solution, I see little advantage injecting ourselves this quarrel pending tangible indication GOA genuinely interested in settlement.

(2) During conversation week ago with Aziz, Deputy Foreign Minister, discussion included Pushtoonistan and I inquired whether more favorable atmosphere for discussion and settlement could not be created by lessening radio press campaign. This touched off Aziz (who

[1] This telegram was repeated for information to Karachi, London, Moscow, and New Delhi.

[2] *Supra.*

had been most rational in previous discussions Pushtoon issue) in fiery outburst damning British and their Pakistan successors for dismemberment of Afghans and treatment of orphaned Pushtoons, and pledging unceasing Afghan support Pushtoon self-determination. These two outbursts by normally rational Pushtoon proponents cause me believe Pakistan bombing of Pushtoons has either (1) affected "brother" Afghans more than has been openly evident or (2) GOA in trouble with Pushtoons for not having taken action beyond presentation protest to GOP. If latter assumption correct, actions Foreign Minister and Aziz, which somewhat out of character, may have been staged to (*a*) re-emphasize importance in Afghan eyes of Pushtoon issue, (*b*) convey to us that we should withhold taking overtly active role for time being, or (*c*) serve as forewarning of adverse GOA reaction to Pakistan accession to MEDO. Which of these or other possible motivations may have been uppermost is not clearly evident now.

(3) It may well be GOA presently in process some form governmental change which may be reflected in foreign policy shifts. Arrival yesterday of Shah Wali,[3] who old and ailing and hence unlikely lightly undertake arduous mid-winter trip from London, suggests council of royal family in prospect. As earlier reported (Embtel 484, February 11, repeated Karachi as 96),[4] elder statesman Hashim Khan, and Ambassador to US Naim, also expected Kabul next month, after stay Karachi as guests Governor General. At this stage, difficult to predict direction foreign policy changes attendant upon possible top-level governmental reorganization. Obviously much will depend upon future position Daud,[5] who perhaps most zealous and capable Pushtoonistan advocates, and whether Shah Mahmud succeeds in his recently-reported efforts to be reconciled with Abdul Madjid and bring latter back into government.

(4) In reassessing our policies regarding Afghan, consideration necessarily must be given to effects possible accession to MEDO of Pakistan might have. From Foreign Minister's conversation with me February 14 (Embtel 500, February 16, repeated Karachi as 11)[6] which tends confirm what Deputy Foreign Minister told Embassy officer several days before, seems clear GOA seriously concerned this regard. Following upon initial attitude real or feigned indifference to press reports GOP would be invited join MEDO, GOA now apparently realizing this development could entail crystallization of Durand Line, and resultant exposed position Afghan between MEDO and USSR. In reporting almost certain adverse Afghan reaction to Pakistan mem-

[3] Shah Wali Khan, Afghan Ambassador to the United Kingdom.
[4] See footnote 2, *supra*.
[5] Mohammad Daud Khan, Minister of National Defense.
[6] In telegram 500 from Kabul, Ambassador Ward reported the Foreign Minister's concern that Pakistan would be invited to join the Middle East Defense Organization. (689.90D/2–1653)

bership in MEDO, and influence thereof on US–Afghan relations, I do not imply that overall political and military policy, which Department in best position judge, would not be best served by inclusion Pakistan into MEDO none-the-less.

WARD

689.90D/2-1953

Memorandum of Conversation, by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)[1]

CONFIDENTIAL [WASHINGTON,] February 19, 1953.

Subject: (1) Afghan-Pakistan Relations; (2) the Relationship of Afghanistan and Pakistan to a Middle East Defense Organization.

Participants: HRH Sardar Mohammad Naim, Ambassador of Afghanistan
Mohammad Hashim Khan Maiwandwal, Counselor of Afghan Embassy
NEA—Mr. Jernegan
SOA—Mr. Metcalf

The Ambassador called at the Department's request primarily to be informed of our continuing interest in the improvement of Afghanistan–Pakistan relations, and also of Ambassador Ward's submission to the Afghan Government of Sir Zafrulla's proposed formula under which the two governments might reach agreement on the establishment of full diplomatic relations.

I asked the Ambassador first what truth there was in reports to the effect that he was going to Kabul in the near future. He said that he had asked his Government to let him return in late March or early April but that he had not yet received a reply. He added that he told his Government that his increasing deafness, which doctors here said could not be remedied either by treatment or by artificial hearing aids, limited his usefulness, and that therefore he would like to be relieved. He also remarked vaguely that things needed "clearing up" in Afganistan. (He did not amplify this remark, but it suggests that he may be one of the several members of the Royal Family abroad on diplomatic assignments who seem to be converging in the near future in Kabul for what might be an important meeting of the governing clan.) When asked, Ambassador Naim said that he and his uncle, Hashim Khan, former Prime Minister of Afghanistan now in the United States, would stop over in Karachi as guests of the Governor General if they get assurances from Karachi that they will be able to talk to

[1] Drafted by Metcalf and initialed by Jernegan, indicating his approval.

ranking members of the Government about Afghan-Pakistan difficulties.

Prince Naim then said that he had just received a report from his Foreign Minister to the effect that Ambassador Ward had passed on to the Afghan Foreign Office a statement that Sir Zafrulla Khan gave to Mr. Byroade which the Pakistanis thought might be acceptable as a basis for the naming of an Afghan Ambassador to Karachi. (Sir Zafrulla's formula reads as follows: "Pakistan is agreeable that it would be discussing with Afghanistan through diplomatic channels welfare of tribal people of two countries on both sides of Durand Line.") The Ambassador declared that the statement had no relation to the problem, that the welfare of the tribal peoples was a concern of both the Afghan Government and the Pakistan Government, but that the issue at hand is the wish of some seven million Pathan tribesmen freely to express themselves in connection with their political future. Ambassador Naim thereupon launched upon the well-known Afghan line on Pushtoonistan, emphasizing that it was not in the thoughts of any of the members of the Afghan Government to acquire more territory, but that it was their concern in the interests of the security of the area that something be done about the lot of these seven million people.

After his discourse I assured the Ambassador that the Department is fully aware of the differing views on this problem held by Pakistan and Afghanistan, that the Department is interested in seeing those differences reconciled, that we would have to accept the judgment of the Foreign Minister that Sir Zafrulla's proposed formula for establishing full diplomatic relations could not satisfy Kabul, and that if we should develop any constructive thoughts or suggestions to improve the relations between these two countries, we would certainly pursue them. Meanwhile it is the Department's belief that it can do nothing more at this time and that indeed an intercession at this time might make matters worse.

Ambassador Naim observed at this point that he did not think that this is necessarily true. He said that given the distance between the positions of his country and Pakistan, a third and impartial intermediary is almost essential to a reconciliation of their differences.

I then told the Ambassador that there was another matter that I would like to speak to him about. As a result of certain newspaper stories in this country on MEDO, and subsequent stories in the Pakistan and Indian and presumably the Afghan press, certain speculation had developed in South Asia, and more recently in Afghanistan. I said that I would like to outline to the Ambassador, for his information and for that of his Government, the facts of the matter concerning MEDO. I then described the concept of MEDO as it is presently envisaged, stressing these two points: (1) that the organization is a planning one, not involving any formal alliance, command structure,

or commitments in either direction; (2) that MEDO is not a going concern, that its actual establishment depends laregly upon the existence of a favorable political climate in the area, the timing of which I could not predict; (3) that no invitations had been sent to any of the governments in the area; and (4) that once the organization is established it might wish to invite other nations in the general area to participate, including, for example, Pakistan and Afghanistan if they were interested.

The Ambassador said that what concerns his Government is the prospect of the participation of Pakistan in any kind of a Middle East defense organization prior to the solution of the Pushtoonistan issue. He opined that India would feel the same way with respect to the Kashmir dispute. He submitted as a second source of concern to his Government, in the event of Pakistan's participation, the isolation of Afghanistan with its long common border with the Soviet Union.

In concluding the conversation, Ambassador Naim said that he appreciated the problem of getting all the Middle East states lined up to cooperate in a defense organization, and expressed the opinion that the basic obstacle involved is a century-old suspicion among those countries of the motives of the great Powers. Middle East peoples have only recently emerged from a colonial period, he observed. But, he declared, the United States does not bear the onus of this suspicion. It enjoys a unique position in the area; consequently it could only be through clear-cut policy and action by the United States (as distinct from a US–UK operation, he implied) that the countries in the Middle East would whole-heartedly cooperate in a defense organization. He said that he was confident that Middle East countries recognized it to be in their self-interest to participate in a defense organization; they had only their own suspicions to overcome.[2]

[2] For additional information on the Afghan attitude toward the proposed Middle East Defense Organization, see footnote 5, p. 1460.

110.11 DU/6–1153: Telegram

The Ambassador in Afghanistan (Ward) to the Department of State

CONFIDENTIAL KABUL, June 11, 1953—noon.

700. Foreign Minister states Washington Chargé[1] indicates US Government "unkind" to Afghanistan in that no mention this country made any public statement Secretary State Dulles re recent trip,[2] notwithstanding Iran mentioned which too not visited.

[1] Mohammad Hashim Khan Maiwandwal.

[2] On May 9, Secretary of State John Foster Dulles and Director for Mutual Security Harold E. Stassen embarked on a 20-day trip to the Near East and South Asia. They visited India and Pakistan in South Asia but did not visit Afghanistan. Najibullah Khan, the Afghan Ambassador to India, discussed the Pushtunistan question with the Secretary and Assistant Secretary Byroade in New Delhi on May 19. No memoranda of these discussions have been found in Department of State files.

He inquired whether I have received message for him, alleging Secretary State informed Najibullah (Damascus telegram 1 May 15, repeated Department 698)[2] that after discussions Karachi statement would be sent me for delivery GOA.

I again suggested sending Ambassador to Karachi, which evoked another impassioned harangue on Pushtoonistan and intransigency Pakistan, but which ended encouragingly for first time my experience in Foreign Minister statement "perhaps it can be done, we shall see". Toward end our conversation I spoke metaphorically as Afghanistan Ambassador Karachi being drop of water which may wear down the stone of Pakistan obduracy toward Pushtoon discussions, whereupon Foreign Minister stated "we want Americans with pneumatic drill".

It may be Foreign Minister hopeful we would pressure GOP into Pushtoon discussions as *quid pro quo* for Pakistan wheat loan, but I doubt his being so naive. More likely he apprehensive some settlement Kashmir dispute possible, with lessened likelihood Pushtoon discussions.

WARD

[2] In telegram 1 from Damascus to Kabul, Ambassador Ward was informed that the Secretary and Byroade would repeat the U.S. position on Pushtunistan to Najibullah in New Delhi. (110.11 DU/5–1553)

110.11 DU/6–1153 : Telegram

The Secretary of State to the Embassy in Afghanistan[1]

CONFIDENTIAL WASHINGTON, June 15, 1953—3 : 53 p. m.

515. Regret no report conversations with Afghan Ambassador at Delhi was sent you (Embtel 700, June 11).[2] Conversations were general with Secretary seeing Ambassador only a few minutes and longer substantive discussions with Byroade.

Ambassador presented the familiar Afghan case on issue of Pushtoonistan and requested Secretary's party negotiate in Karachi for some change in Pakistan position. He was informed such specific negotiation was inconsistent with Secretary's mission of fact-finding within area. Ambassador was informed we would discuss matter however in Karachi which was subsequently done with Mohammed Ali.[3] Ambassador was not led to believe that any message would be sent to Afghan Foreign Minister after such discussions.

[1] Drafted by Byroade.

[2] *Supra.*

[3] The subject of Pu[illegible]an came up in the conversation which Secretary Dulles and Assistant S[illegible]y Byroade had in Karachi with Prime Minister Mohammed Ali on May 24. The Prime Minister felt that economic difficulties were at the root of Afghan agitation on Pushtunistan. He added that, if the Afghan Government were to devote itself to economic development, it would enjoy the support of Pakistan. See memorandum of this conversation in volume IX.

These discussions resulted in nothing new on situation and Department pleased you turned conversation into the constructive line of Afghan sending Ambassador to Karachi. Regret no mention of Afghanistan in Secretary's speech [4] but it was limited to report on countries Secretary visited plus Iran on which he received report enroute from Henderson.

DULLES

[4] This speech is printed in the Department of State *Bulletin*, June 15, 1953, pp. 831–835.

689.90D/7–2153

The Ambassador in Afghanistan (Ward) to the Department of State [1]

SECRET KABUL, July 21, 1953.

No. 15

Ref: Department's Instruction No. 13, June 25, 1953 [2]

Subject: Afghan Agitation Regarding Pushtoonistan

The Embassy has read with interest the copy of the memorandum from Sardar Najibullah Khan, Afghan Ambassador to India, to Assistant Secretary Byroade, on the Pushtoonistan question, enclosed with the Department's Instruction No. 13 of June 25, 1953.

Najibullah's memorandum is, as would be expected, the more or less standard Afghan presentation. It is perhaps worthy of note, however, that Najibullah appears to place some emphasis on the alleged historical inclusion of the Pushtoons in the Afghan nation, and implies forbearance on the part of the Government of Afghanistan in not demanding the return of the Pushtoons to Afghan sovereignty, "notwithstanding that the land of the Pakhtoons was severed from Afghanistan". Najibullah may thus be among those Afghans who are in reality strong irredentists, dreaming of Afghan expansion to the Indus. The official pronouncements of the Government and the press articles generally confine themselves to demands for the independence of the Pushtoons. In private conversation, however, it is not unusual for officials to admit that they consider the ultimate aim to be annexation of Pushtoonistan by Kabul.

As the Department is doubtless aware, Najibullah's figures on the

[1] Copies also sent to London, Karachi, and New Delhi.

[2] Instruction 13 conveyed to the Embassy a copy of a memorandum delivered by Ambassador Najibullah Khan to Assistant Secretary Byroade on May 19 in New Delhi. The instruction noted that the memorandum, which dealt with Pushtunistan, did not call for a reply and none was contemplated. (689.90D/5–1953) The memorandum is not attached to the copy of the instruction found in the files, and no other copy of the memorandum has been found in Department of State files.

results of the 1947 referendum do not correspond with the official returns announced by the British who conducted the plebiscite in the N.W.F.P. The officially announced results of this controversial referendum appeared to establish that a majority of the registered electorate in the province favored union with Pakistan. Although it is true, as the Afghans allege, that numbers of the inhabitants abstained from voting, British figures show that 51 per cent of the total electorate voted for Pakistan, although only 65 per cent of the electorate went to the polls. Thus, even had the abstaining 35 per cent been able to vote for an independent Pushtoonistan, in theory they could not have registered a majority. Najibullah's statements on the plebiscite are, however, representative of the official Afghan Government position, which is that the number of abstentions represented a majority vote for independence.

In the closing paragraphs of his memorandum, Najibullah expresses concern over the prospect of military aid and other assistance being given to Pakistan. There is reason to believe that the apparent determination of the United States to shore up the economy of Pakistan, as well as the possibility of early solution of some of Pakistan's difficulties with India, have aroused fears among Afghan officials that these developments, possibly leading to a more economically and politically stable Pakistan, may have a detrimental effect on Afghan plans to alienate the tribes from their connection with Karachi.

The Embassy, in its last comprehensive survey of the Pushtoonistan controversy between Afghanistan and Pakistan (Embassy despatch 131, October 12, 1951),[3] suggested that any further American efforts to break the deadlock must await a more propitious time. The Department has, we believe, also maintained the position in the intervening time that, the U.S. approach of November 1950 having been unsuccessful, further intervention would be equally unavailing, conditions remaining essentially the same.

The intervening years since 1950 appear to have brought the two countries no nearer a solution of the problem of Pushtoonistan. The Afghan Government, mainly through the media of a controlled press and radio, continues to vilify the Government of Pakistan in a manner probably unequalled in malignancy anywhere in the non-Communist world. Its unremitting efforts to subvert the Pushtu tribes in Pakistan territory by propaganda and subsidy, while probably not notably fruitful, nevertheless serve to keep the tribes in turmoil and thwart Pakistan plans to integrate the inhabitants of tribal territory as useful citizens of the state. Neither country now enjoys a thoroughly sound economy. Yet each year substantial proportions of their respective

[3] This 16-page despatch, not printed, contained a summary of the question for the period 1950–1951. (689.90D/10–1251)

budgets are expended in competitive subsidies to the obstreperous tribes, who are the real beneficiaries of a continued state of tension between Afghanistan and Pakistan.

There have been informal conversations between Afghan and Pakistan officials in Karachi, and the Pakistan Ambassador to Kabul, Colonel Shah, has striven to create an atmosphere of amity between the two nations, but basically the situation remains the same as that prevailing in 1950. The Afghan Government will not take part in formal discussions, or send an accredited representative to Karachi until the Pakistan Government agrees to a public announcement that Pushtoonistan will be discussed. The Paks do not feel that they can make such an announcement, which would constitute acknowledgement of a legitimate Afghan interest in affairs within the borders of Pakistan.

There seems little likelihood that the Afghans will, in the foreseeable future, retreat from their uncompromising position on the Pushtoons. Quite possibly, they feel that they cannot retreat, even if they so desired. That may be on the horns of a dilemma of their own creation. The present regime came to power in Kabul in 1929 with the support of the Pushtu tribes from both sides of the Durand Line. It is not confident of the allegiance of the other racial groups in Afghanistan, nor, it may be said, does it make any real effort to secure this allegiance. The ruling house, therefore, woos and fears the Pushtoons, whom it cannot really control. While the British were masters on the North West Frontier, the Afghans were reasonably sure that the Afghan Pushtoons, as well as the trans-Durand Line tribes, would be generally friendly towards Kabul, and that the manifestations of their predatory inclinations would be directed at the infidel British. But when a Muslim state succeeded the British on the Frontier, the danger immediately arose that the successor authority might be able to make its peace with the tribes of the unadministered districts, and indeed that the Afghan Pushtoons would be oriented to Pakistan, leaving the Kabul regime without what it considered its mainstay.

It may thus well be that the Afghans, faced with the potential danger described above, seized upon the issue of Pushtoonistan as a means of preserving the *status quo* of the former British era, and fostering the idea that they are the only true friends of the tribes. It is also possible that the Afghans have no great expectation of the attainment of an independent Pushtu state, and do not really wish it, preferring the continuance of anarchy in tribal areas.

The Embassy feels that the legal position of the Afghans on Pushtoonistan is extremely weak, and that they well know it. They are, therefore, unlikely willingly to submit the controversy to an international arbitration or fact-finding body, in spite of pious calls on the U.N. to come to the aid of the Pushtoons.

The stake of the United States in this area is considerable. We are trying to shore up the economies of both Afghanistan and Pakistan and help them to attain a stage of economic development which will make for higher living standards and stable government. So long as both nations dissipate their energies in a continuation of this seemingly aimless dispute, the achievement of these objectives will be materially delayed, and investment of American funds and technical skills will not bring the maximum return in terms of U.S. objectives. Even perhaps more serious in terms of U.S. objectives is the fact that this quarrel between Afghanistan and Pakistan prevents the two countries adopting a joint defense program against possible Soviet aggression and the fact that Afghan attacks on the Karachi Government on this issue furnish an excellent precedent for the Soviets at an opportune moment to commence agitation for liberation of the Tadjiks, Turkomans or other ethnic groups having population on both sides of the Afghan-Soviet border.

So long as Afghanistan persists in villifying Pakistan and demanding that that nation permit itself to be carved out of existence by the creation of an independent Pushtoonistan, and so long as Pakistan refuses to concede that affairs within what it considers to be its borders are any concern to Afghanistan, the wasting deadlock will continue. There appears to be little reason to believe that either party will make the concessions required to satisfy the other.

As noted above, the Embassy is inclined to believe that the Afghans rest their case on rather shaky legal ground. On the face of it, it appears that conducting a campaign for the independence of a portion of a neighboring sovereign state constitutes unwarranted intervention in the affairs of that state. The Afghans, however, imply that their campaign is not such an intervention, since they maintain that the Durand Line, the recognized international frontier between Afghanistan and Pakistan, is not a legal boundary. What then would be the result of a request by the Government of Pakistan that the legality of the Durand Line be adjudicated by an international commission composed of representatives of nations having no interests in the area, say Saudi Arabia, a Scandinavian country and a Latin American country? The Embassy believes that the United States, members of the British Commonwealth, and India for obvious reasons should not be represented on any such commission.

If, as the Embassy believes, the decision of such a commission would be in favor of Pakistan, Afghanistan would be placed in the unfavorable light of interfering in the internal affairs of a neighboring state if it continued its Pushtoonistan agitation, and Pakistan would be entitled to the assistance of other powers in bringing pressure to bear on Afghanistan to abandon its agitation in the frontier areas of Pakistan. It is entirely possible and even likely that any such request by the

Government of Pakistan would be scornfully rejected by the Government of Afghanistan on the ground that any arbitration must consider the broad question of Pushtoon independence and not just the narrow legal issue of the validity of the Durand Line. Nonetheless the Embassy believes that to be forced to take such a position would be embarrassing to the Afghan Government and would not only weaken their position on this issue with other friendly powers but might also cause them to moderate their agitation.

The Embassy cannot anticipate the reaction of the Pakistan Government to this idea and would welcome the comments of the Embassy at Karachi as to possible Pak objections. Presumably the Government in any event would wish to delay any *démarche* until the conclusion of the current conversations with the Indian Government over Kashmir and other disputed points.

If the Department and the Embassy at Karachi concur in this Embassy's belief that this type of approach might be fruitful, it is suggested that the Department discuss it with the Pakistan Embassy in Washington. The Embassy at Kabul is of the opinion that a discussion with the Pakistan Ambassador at Kabul would be unwise at least at the outset and that the United States should confine its activity in this matter to a suggestion to the Pakistan Government and should not directly or indirectly be known to be sponsoring any such move.

ANGUS WARD

689.90D/7–2153 : Circular airgram

The Secretary of State to the Embassy in Afghanistan[1]

CONFIDENTIAL WASHINGTON, September 2, 1953.

CA–1189. Re despatch No. 15, July 21, 1953.[2] The Department has carefully considered the proposal presented in the Embassy's despatch under reference, and wishes to commend the Embassy for its continuing interest in devising possible approaches to the solution of the Pushtoonistan problem.

The Department has held for some time that this controversy is primarily political in nature rather than legal. No government other than that of Afghanistan is known seriously to have questioned the validity of the Durand Line. As the Embassy recognizes, considerations underlying the espousal of a so-called Pushtoonistan have their sources in a variety of historical and political factors which strongly influence Afghan conduct. An adjudication of the Durand Line in favor of Pakistan would not basically alter any of those factors. Moreover, it

---

[1] Drafted by Metcalf; cleared by Smith; repeated for information to Karachi, London, and New Delhi.

[2] *Supra.*

is not clear that the embarrassment of an adverse decision would deter Afghanistan from supporting the Afghan [*Pushtoon*] case, for it has virtually no outside support for the case now and is not visibly deterred thereby. Finally, it is believed that the Government of Pakistan would firmly reject any suggestion that it submit its international boundary to adjudication.

The Department has received no comment from Embassy Karachi regarding Embassy Kabul's proposal, and continues to believe that under the present circumstances the preferred course of US action is to continue to suggest to the Afghans at appropriate occasions that the Afghan Government negotiate its differences on a bilateral basis with the Pakistanis. Such negotiations should be prefaced by the assignment of an Afghan Ambassador to Karachi.

Embassy Karachi's comments on the proposal in the despatch under reference are invited.[3]

ACHESON

[3] The Embassy in Pakistan did not respond to this invitation.

689.90D/9–2953

Memorandum of Conversation, by LeRoy F. Percival of the Office of South Asian Affairs

CONFIDENTIAL [WASHINGTON,] September 29, 1953.

Subject: Afghan Interest in US Informal Good Offices in the Pushtunistan Issue

Participants: Mr. Mohammad Hashim Maiwandwal, Chargé d'Affaires, Embassy of Afghanistan
NEA—Mr. Byroade
SOA—Mr. Percival

In the course of a conversation regarding the visits of military officers from Pakistan and Iran to the US, Mr. Maiwandwal expressed the hope that the United States was still willing to use its informal good offices to improve relations between Pakistan and Afghanistan, which are still beclouded by the Pushtunistan issue. In reply to a suggestion, he said that Afghanistan was always willing to send an ambassador to Karachi provided, however, that the ambassador was assured that he could discuss "Pushtunistan" with Pakistan Government officials. He added that he thought that the new cabinet in Afghanistan[1] might take a new look at Afghanistan–Pakistan relations.

Mr. Byroade said he believed that the assignment of an ambassador would be helpful as an ambassador's job was to discuss all problems

[1] On Sept. 6, Prime Minister Shah Mahmud Ghazi resigned and Mohammad Daud formed a new government in which the former Ambassador to the United States, Mohammad Naim, became the Foreign Minister.

extant between his government and the government to which he was accredited. He added that sometimes there are political problems outstanding between countries which may not be immediately resolveable in a manner agreeable to both parties. However, there are other aspects of relations upon which a meeting of the minds is possible, and that a practical approach to these problems through normal diplomatic channels often results in their resolution and leads toward a solution of the main political issue. He felt that it was unfortunate that many countries concentrate all their energy and effort upon what they consider to be the major external political problem instead of utilizing their efforts to increase their economic strength, to develop their stability, and to improve relations with their neighbors insofar as practicable. He stated that the United States has always been interested in the Pushtunistan problem and in the improvement of Afghan-Pakistan relations. This US interest is a continuing one and the US would be willing to use its informal good offices to help the two countries to improve their relations when an opportunity to be really helpful presents itself.

689.90D/11-2853

Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan) to the Acting Deputy Under Secretary of State (Murphy)

SECRET [WASHINGTON,] November 28, 1953.

Subject: Line Vice President Nixon Should Take Re the "Pushtoonistan" Issue [1]

Discussion:

"Pushtoonistan" is an imaginary political and geographic conception which Afghanistan wishes to bring into reality by creation of a new state from the territory and inhabitants of a broad area of Pakistan extending along the entire length of the Afghanistan–Pakistan frontier.

Afghanistan has long maintained an active interest in the Pathan peoples on both sides of the frontier. Afghan governments traditionally resisted all efforts of the UK and British Indian governments to incorporate the Pathan tribesmen of the northwest frontier of India into the Indian provincial administrative system. This interest stems

---

[1] On Oct. 7, 1953, Vice President Richard M. Nixon and his party embarked upon a goodwill tour of the Far East. In addition to visiting various Far Eastern states, the Vice President also journeyed to South Asia, where he visited Ceylon, India, Pakistan, and Afghanistan. He visited Afghanistan from Dec. 4 to 6. After a final stop in Iran, the Vice President and his aides returned to Washington on Dec. 14. For additional information, see the editorial note under date of Oct. 7 in volume XII. Extensive documentation regarding the trip is in Department of State file 033.1100-NI.

largely from (1) very old ethnic and cultural ties with all Pathans, including the Pathan royal family in Kabul, and (2) the realization of successive Afghan governments that their tenure depends primarily upon the good will of Pathan tribesmen, who have been capable of unseating several regimes in Kabul.

Upon the partition of the Indian Subcontinent a referendum was arranged in the Northwest Frontier Province by the relinquishing British authorities giving the inhabitants, largely Pathans, an option to accede either to Pakistan or to India. They chose Pakistan. Pathan tribesmen in the unadministered tribal territory of British India also acceded to Pakistan through documents of accession. Afghanistan unsuccessfully attempted at that time to have a third option included in the referendum an option for independence. Frustrated in that attempt, the Afghans have since supported and energetically propagandized the creation of an independent nation of Pathan tribesmen to be called Pushtoonistan.

Afghanistan's demand for an independent Pushtoonistan nation rests essentially on the following claims:

1. The Durand Line (the international boundary between Pakistan and Afghanistan) is not a legal territorial boundary (the Durand Line was demarcated by Sir Mortimer Durand and accepted by Afghanistan and British India as the territorial boundary by agreement signed on November 12, 1893. It was confirmed by the Amir Habibullah in 1905; in the Anglo-Afghan Treaty of Peace of August 8, 1919 and the Anglo-Afghan Treaty of Friendship of November 22, 1921);[2]
2. The Pathans of so-called Pushtoonistan are unhappy under Pakistan rule and should be given an opportunity to confirm their desire for independence.

Pakistan's position is that the Durand Line is a legal territorial boundary; hence Afghan interest in Pathans east of the Durand Line constitutes an unwarranted intervention in Pakistan's domestic affairs.

Since partition, and up to the present writing, vituperative propaganda warfare over this issue, periodic border incidents, and sporadic economic harassment of Afghanistan by Pakistan have contributed to the serious deterioration of relations between the two countries. Unsuccessful efforts in 1948–49 to resolve this issue resulted in the recall of both the Pakistan and Afghanistan ambassadors. Various third parties, including the British Government, the Shah of Iran and the Saudi Arabian Government, have unsuccessfully tried to bring the disputants together to discuss their differences. In 1950 the U.S. offered

[2] On Mar. 21, 1905, Amir Habibullah signed an agreement with Louis W. Dane, Foreign Secretary of the Government of India, which, *inter alia*, confirmed the agreement of 1893 which established the Durand Line. The Durand Line was also accepted in the Anglo-Afghan treaties of Aug. 8, 1919 and Nov. 22, 1921. Texts of these agreements are printed in *A Collection of Treaties, Engagements, and Sanads Relating to India and Neighboring Countries*, vol. XIII, pp. 282–283, 286–292.

its informal good offices in an equally unsuccessful effort to bring the two countries together. All such efforts have foundered basically over the insistance of the Afghans to have the Pushtoonistan issue specifically inscribed on an agenda of discussion and the refusal of Pakistan to accept such an item.

In September 1952 Pakistan sent an Ambassador to Kabul (the first since 1949), reduced the volume of its anti-Afghan propaganda, and otherwise made conciliatory gestures towards Afghanistan. Meanwhile Afghanistan still refuses to send an ambassador to Karachi until it can announce that Pushtoonistan will be a subject of discussion. To date Pakistan has not accepted this condition. Rather it consistently maintains that it is agreeable to discussing issues of "common interest." Recently, there have been major changes in the Afghan Cabinet, and the new Prime Minister, Prince Daud, has been one of the most energetic proponents of "Pushtoonistan" and the attendant agitation, which has been a cause of concern to Pakistan. During the past week, the Afghan Government informed the UK that it no longer considered the Treaty of 1921 valid due to changed circumstances in the Indian Subcontinent, and requested that conferences be held to consider the new situation.[3]

Recommendation:

That you sign the attached telegram (Tab A) to Embassy Kabul[4] drafted in response to Kabul's 185 (Tab B).[5]

---

[3] Reported in telegram 180 from Kabul, Nov. 23. (689.90D/11–2353)
[4] *Infra.*
[5] In telegram 185 from Kabul, Nov. 28, the Embassy asked for instructions in the event that the Afghan Government made a strong appeal on the Pushtunistan issue to Vice President Nixon when he arrived. (689.90D/11–2853)

689.90D/11–2853 : Telegram

The Secretary of State to the Embassy in Afghanistan[1]

CONFIDENTIAL WASHINGTON, December 3, 1953—4 : 24 p. m.

139. Urtel 185.[2] As you note US has urged bilateral negotiations between Afghanistan and Pakistan with hope they would lead to mutually acceptable settlement of Pushtoonistan issue.

Accession of new Afghan Prime Minister and new cabinet together with circumstance that Afghanistan may anticipate hardened Indian attitude toward Pakistan arising from rumors of US military assistance to Pakistan might lead to intensified pro-Pushtoonistan activities by Afghanistan.

---

[1] Drafted by Metcalf and Smith; approved for transmission by Murphy; repeated to Karachi as telegram 423, New Delhi as telegram 618, and London by pouch.
[2] See footnote 5, *supra.*

Therefore suggest Vice President may wish state in reply to official Afghan appeals that we consider most desirable course that of bilateral negotiation prefaced by assignment of an Afghan Ambassador to Karachi; and that we keenly regret continued agitation this issue which weakens political and economic stability of two countries both friendly to us and each important in own right. If Afghans bring up old chestnut of looking to USSR if US unwilling to support Afghanistan, Vice President may wish observe difficult believe Afghanistan, with its familiarity with USSR and its reputation as freedom-loving nation, would commit political suicide over a dispute with a friendly Moslem neighbor. If question of our bringing pressure to bear on Pakistan in favor of Afghan position is raised, Vice President may wish to indicate it as his personal view this would be difficult to do and that he doubts very much it possible.

In unlikely event Vice President is questioned by press on question in Kabul or Karachi he may wish to say it is problem between two friendly countries and he thinks they should settle it between themselves.

DULLES

689.90D/12–353 : Telegram

The Ambassador in Afghanistan (Ward) to the Department of State

CONFIDENTIAL KABUL, December 3, 1953—4 p.m.

195. Foreign Minister Naim today inquired re validity recent press statements US and GOP about to enter military pact. I stated I had no information beyond recent Washington denials,[1] of which I assumed he aware.

Naim stated military assistance to GOP would prove harmful to GOA for reason (1) it would strengthen neighbor which has not demonstrated desire for harmonious existence with Afghanistan and (2) it would prompt USSR take defensive measures at expense Afghanistan. He added subsidizing Pakistan military might by outside power would destroy hope neighboring countries acquiring parity and these latter would therefore fall into apathy and passivity, which would constitute regional menace.

Naim stated Afghanistan does not desire dismemberment Pakistan, but does desire Pushtun brethren be afforded opportunity to decide freely own fate. For first time he volunteered discussion on Pakistan-Afghanistan need for common policies and joint agreements on eco-

---

[1] At a press conference on Nov. 17, Secretary Dulles denied that the United States and Pakistan were negotiating a military aid agreement. President Eisenhower confirmed that denial on Nov. 18 and promised that the United States would be very cautious about doing anything with respect to Pakistan which might create unrest in India. (*New York Times*, Nov. 18 and 19, 1953)

nomic, political and military matters, which he alleged are realizable were GOP's not so unreasonable on Pushtunistan.

WARD

033.1100 NI/12–1553 : Telegram

The Ambassador in Afghanistan (Ward) to the Department of State

CONFIDENTIAL KABUL, December 15, 1953—noon.

210. Deptel 146, December 9.[1] Vice President and Mrs. Nixon made excellent impression on GOA officials and Afghan people by ease, charm of manner and directness. GOA and Afghan people greatly pleased at visit particularly after inability Secretary and FOA Director Stassen visit Afghanistan.

Vice President and I conferred at length with Prime Minister and both Deputy Prime Ministers. No direct mention made size FOA aid allotted Afghanistan, Export-Import loan or alleged US–Pakistan military discussions. Only substantial points raised were (*a*) Afghan need outside assistance for economic, educational and social development; (*b*) Pushtunistan question. No inference GOA will turn to USSR should US aid not be forthcoming. Vice President [on] Pushtunistan followed recommendations Deptel 139, December 4 [*3*]. Firm reiteration by Vice President US unwillingness become involved Pushtunistan dispute should convince GOA (1) impossibility use US as mediator and (2) desirability direct negotiations with Pakistan.

Although Vice President and I dined with King, am uninformed nature Vice President's pre and post-dinner talks with him.[2]

Detailed report being pouched.[3]

WARD

---

[1] In telegram 146 to Kabul, Dec. 9, the Department asked for a report on Nixon's visit to Afghanistan. (033.1100 NI/12–953)

[2] Nixon's report to the National Security Council on his trip included the following paragraph:

"I feel that Afghanistan will stand up against the Communists. I discussed the Pakistan aid problem with the Prime Minister and the King, who suggested that it would be a good idea if Pakistan, Afghanistan, Iraq, Iran and Turkey entered into something like an 'Atlantic alliance', with aid going to these countries as a group instead of individually where they might be a threat to each other. The Pakistanis had the opposite view." (Eisenhower Library, Eisenhower papers, Whitman file, discussion at the 177th meeting of the National Security Council, Dec. 23, 1953)

[3] Despatch 110 from Kabul, Dec. 10, was originally filed at 033.1100 NI/12–1553. Not found in Department of State files.

Secretary's Memoranda of Conversation, lot 64 D 199

Memorandum of Conversation, by the Acting Officer in Charge of Pakistan–Afghanistan Affairs (Metcalf)

CONFIDENTIAL [WASHINGTON,] January 5, 1954.

Subject: Afghanistan's Attitude Toward U.S. Military Assistance to Pakistan

Participants: The Secretary
Mohammad Kabir Ludin, Ambassador of Afghanistan
Mr. Mohammed H. Maiwandwal, Counselor, Embassy of Afghanistan
SOA—Mr. Metcalf

Ambassador Ludin expressed his Government's appreciation and understanding of U.S. aid programs in the underdeveloped countries of the Middle East and South Asia to strengthen the free world. Afghanistan has had a long history of association with both those areas. He said his Government is prepared to cooperate with the U.S., Pakistan and others to realize the defense of the area. However, a prerequisite to such cooperation is a solution of the Pushtoonistan issue with Pakistan. Afghanistan does not consider this issue insuperable or even difficult to solve, given goodwill and understanding on both sides.

However, should the issue remain unsolved while Pakistan's economy, productivity and military strength is increased, as a result of U.S. aid, the increased imbalance of strength between the two countries would be of serious concern to Afghanistan. The imbalance would work adversely against a solution of Afghan-Pakistan differences. The relatively slower rate of economic development in Afghanistan would be difficult for the Government to explain to the Afghan people, who aspire, as do the Pakistanis and Iranians, to a better way of life. Finally, the development of other countries in the area, particularly Pakistan and Iran, would constitute a vacuum in Afghanistan which would invite pressure from an undesirable ideology.

Concluding, the Ambassador observed that Afghanistan has long occupied the position of a keystone in the arch between the Middle East and the Indian Subcontinent, lying astride historic routes of invasion and commerce. Strategically speaking, Afghanistan lies within the perimeter of an area defense concept; the Hindu Kush has been the traditional physical and ideological bulwark of the Subcontinent. The Ambassador said that he was advancing the foregoing considerations now on behalf of his Government for the attention of the U.S. Government in its plans for the area. He left with the Secretary an informal memorandum (the text of which is attached) presenting his Government's views in somewhat more detail.

The Secretary replied that the U.S. Government was studying the possibility of a military assistance program for Pakistan, but that a decision had not yet been taken. He assured the Ambassador that in arriving at a decision the considerations he had advanced would be taken into account. The Secretary said further that a military aid program for Pakistan would have the objective of increasing the defense capacity of that nation and that it is not our desire to make one country strong at the peril of a neighbor. He expected that in any agreement with Pakistan adequate safeguards would be provided for

against the aggressive use of its increased military strength. The Secretary observed that the Ambassador had advanced a difficult problem: that of attempting to maintain a condition of equilibrium in an area characterized by local disputes. Nevertheless, he said, we cannot permit such disputes to perpetuate an area of weakness which can otherwise be remedied. The Secretary reiterated in conclusion that the views of the Afghan Government would be taken into full account.

[Attachment]

Note Presented by the Ambassador of Afghanistan (Ludin)

[WASHINGTON,] January 5, 1954.

We understand and appreciate the underlying principle of the foreign policy of the United States of America, which is strengthening economically and militarily the free and independent nations of the world to preserve their freedom and independence. Strengthening of each nation adds up to the collective strength of peoples who are anxious to preserve their character, identity and independence.

It is in this light that we look upon the strengthening, economically and defense-wise of our part of the world, generally referred to as the Middle East. We welcome a move that would raise the standard of living of these peoples and provide them with a stake in life, and a means to preserve that stake, as well as their identity and independence. However, there is some preliminary ground work to be done in order to make this Help Program both effective and efficient. The aid that the Government of the United States has rendered to Pakistan, in the food and technical fields, as well as the military and further economic assistance which the United States Government intends to give to Pakistan are points relevant to our present consideration.

We appreciate more than anyone else that the passes which cut through Hindu Kush and Sulaimen range of mountains, to wit: Khawak, Shiber-Shikari, Salung, Bamyan, Khayber, Gomal and Bolan, are critical sections of the important land routes that debouch into the Indian Subcontinent. The routes traversing these passes, have been, throughout historic periods and in prehistoric times, the main highways of migration, invasion, and commerce, as well as the passageways for the traffic of ideas and thoughts. This area will inevitably be the keystone of the arch of any future scheme of defense for the free world in the Middle East. The area betwen Oxus and Indus, and beyond that to the Arabian Sea, is one defensive unit. It has been so throughout history. The mountain citadel in this area has always been the abode of freedom loving peoples. The strengthening, economically and militarily, of the people inhabiting this area to preserve their freedom is an obvious necessity of the defense of this part of the world.

My Government is prepared to cooperate to the fullest extent possible with the United States, Pakistan, and others, in order to realize the full economic and defense potentialities of this area. However there is one reservation, one essential prerequisite to this full and harmonious cooperation, and that is the solution of the problem of our kinfolks, the inhabitants of Pashtoonistan. We do not believe the solution of this problem to be insurmountable or even excessively difficult. Given a mutual good will and understanding and a statesmanlike appreciation of this problem in the general context of the world situation, we are confident that the matter will be solved. At least important steps can be taken immediately toward its solution. A high level conference between representatives of Afghanistan and Pakistan will be an important step towards the solution of the problem. In this connection I should like to mention that Afghanistan accepted the proposal of the friendly good offices of the United States. Our acceptance of it still stands.

However, if the question of Pashtoonistan is not solved, and Pakistan continues to be strengthened economically and militarily by the United States, we will be less than honest and frank with our very dear friends, the American Government and people, if we do not express our anxiety and vital concern regarding a critical condition that such a course of action will bring about:

1. The balance of power in this part of the world will be upset. The relative defense strength of Afghanistan will suffer an irreparable damage. The security of the nation will be completely jeopardized. The Government of Afghanistan will be under critical questioning and pressure by its people for not having coped with this situation.
2. With other Countries of the Middle East, especially our neighbors, Pakistan and Iran having been strengthened by the United States, there will remain an economic and power vacuum in Afghanistan which will entail a political and ideological vacuum as well.

We should not like to be alarmist but the resultant situation seems to be desperate indeed. We do not wish to state that history repeats itself in every instance and in all detail, but we should like to point out that the very germs of Hinduism were brought by the Aryan migrants from their first abodes in the Valleys of Hindukush. Afghanistan was the instrument or the agency that The Almighty chose to send forth the religion of Islam into India. The faith of Islam, the arabic script, the Urdu language, the cultural heritages, the factors which distinguish Muslim Pakistan from Hindu India were brought to the subcontinent mainly by the Afghans.

Conversely, the effective defense, the bulwark against physical or ideological invasion of the subcontinent has been in the country of Hindukush. If Afghanistan should succumb to an economic and political collapse, and an ideology foreign to its history and tradition should

overtake it, partly because of the cataclysmic events over which we have no control, and partly because of the lack of interest in its fate by the free world and its leaders, that will indeed be a dark day in the history of Asia. It will be a great blow to the free world and to humanity as well.

However, we are hopeful and confident that the wisdom of statesmen will find an amicable solution for the problem which now separates us from joining in a common effort to preserve our common freedom and independence, and that such a day will never come.

We are hopeful and confident that such an eventuality shall be warded off and that such a bleak day shall never come to pass. God was pleased to choose our people as His instrument to propagate the light of Islam in the subcontinent and to hold in common with one hundred million people the same faith and beliefs. They are out natural friends and sympathizers. We wish to strengthen this mutual friendship by preserving our identity and independence and by respecting the natural desires of others to cherish the same privileges.

689.90D/2–1054 : Telegram

The Consul General at Bombay (Turner) to the Department of State [1]

CONFIDENTIAL BOMBAY, February 10, 1954—5 p.m.

227. From Ambassador Ward. Pakistani Ambassador Shah states in confidence Afghan Minister-Chargé Attiq [2] pressing GOP for early settlement Pushtunistan issue alleging GOA prepared make substantial concessions. Proposes early customs union and joint defense agreement. Has requested that Zafrullah Khan visit Kabul soon. Shah states GOP eager for settlement and most conciliatory. Zafrullah will go provided GOA first confirms Attiq statements as firm basis for negotiation. Attiq will meet Zafrullah and Shah today afternoon.

TURNER

---

[1] This telegram was repeated for information to Kabul.

[2] Mohammed Atiq Rafiq was the newly appointed Afghanistan Minister to Pakistan.

Editorial Note

At its 187th meeting on March 4, 1954, the National Security Council considered and adopted the draft statement of policy contained in NSC 5409, "United States Policy Toward South Asia", dated February 19, 1954, subject to an amendment set forth in NSC Record of Action No. 1052 (S/S–NSC (Miscellaneous) files, lot 66 D 95, "Record of Actions by the NSC, 1954"). On March 6, President Eisen-

hower approved NSC 5409 (memorandum by James S. Lay Jr. to the National Security Council, March 8, 1954, S/S–NSC files, lot 63 D 351, NSC 5409—Memoranda). NSC 5409 superseded NSC 98/1, "The Position of the United States with Respect to South Asia", which had been in effect since January 25, 1951 (for the text of NSC 98/1, see *Foreign Relations*, 1951, volume VI, Part 2, page 1650). Section D of NSC 5409 dealt specifically with Afghanistan and reaffirmed the determination of the United States to discourage Afghanistan's Pushtunistan claims. For text of NSC 5409, see page 1089; for text of Section D, see page 1151.

789.00/7–1054 : Telegram

The Chargé in Afghanistan (Little) to the Department of State [1]

SECRET KABUL, July 10, 1954—11 a. m.

11. Embtel 470, June 23.[2] Two courses action GOA on Pushtunistan past fortnight, although seemingly contradictory, suggest possibility denouncement this issue not distant future.

On one hand following termination Jirgas Jalalabad area reported reference telegram, Kabul-inspired Jirgas held various places NWFP. Thereafter leading participants came Kabul where formal welcomes organized their honor including luncheons given by King, Prime Minister and ex-Prime Minister Shah Mahmoud. Although press contains mere speech of welcome and thanks by King [to the?] Jirgas' participants, I am informed King pledged his honor devote "rest of life" and energy achieve Pushtunistan goal and Daud assured participants their case now has support in addition Afghanistan two unnamed "great outside powers". Embassy endeavoring verify these two statements. Simultaneously press campaign against Pakistan has increased in violence, particular targets being current attempt integrate Baluchistan states union with Baluchistan.

In seeming contradiction above GOA intransigence Foreign Minister Naim and Deputy Foreign Minister Aziz take every opportunity assure representatives western powers GOA urgently desirous establish closest relations Pakistan in interest mutual defense and trade and aware need settle Pushtunistan dispute. In farewell call on Deputy Foreign Minister Aziz . . . I expressed our concern at continuation this dispute particularly in view possibility after conclusion Korea-Indochina efforts Soviet bloc might choose this area site next effort and openly back Pushtunistan agitation with military as well as

[1] This telegram was repeated for information to Karachi, London, New Delhi, Jidda, and Lahore.

[2] In telegram 470 from Kabul, the Embassy reported on a sharp increase in agitation on the Pushtunistan issue stimulated by Afghanistan. The Embassy felt that the increase was owing to Prime Minister Daud's desire to strengthen his position with the Pathan tribes and to divert attention from economic problems. Pakistan Ambassador Shah indicated that Pakistan could not tolerate this type of agitation within the borders of Pakistan. (789.00/6–2354)

financial assistance. At suggestion Aziz Foreign Minister Naim asked us call discussion Pushtunistan issue. After expression our concern Naim stated:

(1) Was well aware Soviet long-term objectives Afghanistan and inherent dangers present situation,

(2) Every political, military and economic reason dictates closest Afghan-Pakistan relations, [apparent omission] peoples or territory and acceptance outcome if GOP will agree plebiscite (preferably under UN auspices) Pushtun areas with choice offered (*a*) complete integration Pakistan, (*b*) independence, and (*c*) limited autonomy within territorial and political framework Pakistan.

Naim stressed obligation royal family owed tribes which had helped family regain throne and stated impossible establish desired close cooperation Pakistan until this matter settled. Moreover Naim stated GOA willing include Afghan Pushtuns in plebiscite but did not elaborate this point.

Almost identical views have been expressed by Naim in past fortnight to new French Ambassador, Italian Chargé and [garble] resident representative Spence and he obviously hopes US and other western powers will press Pakistan accept plebiscite proposal.

Plebiscite proposal presented last week Pakistan Ambassador Shah who left July 3, discuss situation his government. I have been informed GOP had earlier informed GOA any plebiscite proposal unacceptable unless it is integral part of formal declaration Pak-Afghan solidarity and cooperation whereas GOA professes wish dispose Pushtunistan issue first and then work out arrangement political, economic and other cooperation.

Accurate appraisal GOA sincerity and intentions presently impossible in face above apparent contradictions. Although GOA plebiscite proposal has obvious attraction as means settling this dispute, vagueness and inherent dangers (unfavorable outcome for Pakistan and precedent for demand plebiscite East Pakistan supported by India) are such I feel US should refrain any attempt at this time influence GOP consideration proposal.

Despatch with more details being forwarded pouch next week.[3]

LITTLE

[3] Despatch 7 from Kabul, July 14, not printed.

789.00/7–1454 : Telegram

The Chargé in Afghanistan (Little) to the Department of State[1]

SECRET KABUL, July 14, 1954—10 a. m.

16. Embassy telegram 11, July 10.[2] Embassy informed by usually reliable sources GOA Pushtunistan agitation and plebiscite demand

[1] This telegram was repeated for information to Karachi, New Delhi, London, Moscow, and Jidda.

[2] *Supra.*

reported reftel now receiving active support India and probably Soviet Union. Nehru's talks with Chou En-lai [3] believed impressed GOA giving prestige and weight Indian representation.

GOI reportedly has urgently stressed following points.

1. Afghan fear Soviet Union needless as India will ensure Soviet observance Afghan-Soviet 1921 friendship pact.[4]

2. GOA must take advantage soon Indian friendship offer and presumably join Asian neutralist bloc or find herself alone since US cannot offer comparable friendship owing Pakistan alliance and India cannot be held responsible Soviet action should GOA join US-sponsored alliance.

3. GOA should make Pushtunistan international issue (presumably UN) and not mere dispute between two Muslim powers. If so handled GOI assures Afghanistan support India, Soviet bloc and unnamed members "Asia bloc".

LITTLE

[3] Prime Minister Chou En-lai met with Prime Minister Nehru in New Delhi from June 26 to June 28, 1954. A text of the communiqué issued after their talks is printed in Royal Institute of International Affairs, *Documents on International Affairs, 1954*, pp. 313–314.

[4] The Afghan-Soviet Treaty of Friendship of Feb. 28, 1921 is printed in *A Collection of Treaties, Engagements, and Sanads Relating to India and Neighboring Countries*, vol. XIII, pp. CXCVII–CXCIX.

789.5 MSP/9–1554

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher) [1]

SECRET [WASHINGTON,] September 15, 1954.

Subject: Review of Afghan Problems

Participants: Mr. M. K. Ludin, Ambassador of Afghanistan
NEA—Mr. Byroade
SOA—Mr. Thacher

The discussion with Ambassador Ludin centered on two problems: Afghanistan's need for small arms, because of the deterioration in equipment of its army and security forces, and the need for a settlement of the Pushtunistan problem.

With regard to the first problem the Ambassador said that Afghanistan has made no purchases of foreign ammunition since 1947 or 1948, and it has now insufficient amounts for suppression of internal disturbance. The Ambassador said that the Afghan military is deeply worried about obsolescence of its equipment, and would like to purchase some small arms wherever it could, but because of the country's economic condition, some outside economic assistance would be needed before

[1] Initialed by Byroade, indicating his approval.

such purchases could be made. He wondered whether the United States could consider some short-term economic aid to Afghanistan to help it buy small arms in Europe. The Soviets would know that no non-satellite European country would sell Afghanistan arms without U.S. approval but Afghanistan would have to take the risk of the probable adverse Soviet reaction. He was aware also that any such possible aid by the United States to Afghanistan might present difficulties for us in the context of the "Pakistan–United States alliance."

In discussing Pushtunistan the Ambassador said concern with this question in Kabul had increased sharply of late because of accelerated integration of the Pushtu tribal areas with the settled areas in Pakistan. The Ambassador said that the Afghans view this Pakistan policy simply as a continuation of the old British policies whereby British domain was extended through alternate pursuit of a "forward" policy of forceful absorption or peaceful penetration by subsidy and bribe. Ludin wondered whether in the light of Pakistan's participation in the Manila treaty [2] it might try to claim that the Pushtunistan movement should be considered as a form of subversion within the terms of the treaty. Still the Government of Afghanistan is sharply aware that little progress can be made in deciding whether Afghanistan is to remain in a position of neutrality or whether it should come into closer association with other nations of the free world as long as the Pushtunistan problem remains unsettled. If half of the Pushtu-speaking peoples are absorbed into Pakistan, the Pushtoons of Afghanistan become simply another small, insecure minority, and the Pushtoon people may be in danger of extinction.

Mr. Byroade said that Pushtunistan, like a number of other international disputes, was one in whose substance we did not have a direct interest and in which our chief desire was to see a settlement. He said that from his personal observation he had not been able to understand either the logic or justice of the Afghan view. We have continued to hope that there might sometime be a change in Afghan attitudes which would permit a settlement. He asked what was the status of negotiations at present and whether through some kind of union of Afghanistan and Pakistan the road might be opened for settlement.

The Ambassador said negotiations were continuing. They had discussed with Pakistan two proposals: a settlement of the Pushtunistan question which in turn might open the way for closer economic and political ties or some kind of merger between the two countries. However, there was a question in Afghan minds as to the sincerity of Pakistan's intentions. The Afghans had been disturbed by a leak last spring of these highly confidential discussions to the *New York Times*

[2] The Southeast Asia Collective Defense Treaty, signed in Manila on Sept. 8, 1954 (6 UST 85). For documentation on the participation of Pakistan in this Treaty, see volume XII.

correspondent in Karachi. The *Times* story [8] reflected that its reporter had been told only of the proposals for merger but not of the precondition of a Pushtunistan settlement.

Ludin asked about the possibility of U.S. support of Afghanistan's desire for a seat on ECOSOC. He was informed that it did not seem probable that we would be able to support Afghanistan's candidacy.

Ludin said that he had asked Prince Naim, Foreign Minister of Afghanistan, who was arriving in New York next week to head the Afghan UN delegation, to come to this country to discuss these matters with the U.S. Government. He hoped that Prince Naim might be able to call on the President and the Secretary. Mr. Byroade pointed out that the President would be out of Washington for some time yet but that he would draw to the Secretary's attention the desire of Ambassador Ludin and Prince Naim to meet with him in New York.

[8] On Apr. 11, 1954, the *New York Times* published an article by John P. Callahan which reported that Pakistan and Afghanistan were planning a merger.

689.90D/9–1854

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher)

CONFIDENTIAL [WASHINGTON,] September 18, 1954.

Subject: Sir Zafrulla Khan on Pakistan-Afghan Relations

Participants: Sir Zafrulla Khan, Foreign Minister of Pakistan
NEA—Mr. Jernegan
SOA—Mr. Thacher

Mr. Jernegan remarked on our concern over the increasing Russian economic penetration of Afghanistan. Sir Zafrulla said that obviously Pakistan must share this concern. However, Pakistan found that its negotiations with Afghanistan tended first to advance and then to drop back without visible progress. The Pushtoonistan question remains a seemingly hopeless stumbling block. The Afghans have, however, talked a good deal about a merger of the two countries without apparently realizing that this would have to be undertaken very gradually through customs union and other agreements. Further the Pakistanis felt that for the present Afghanistan needed continuance of its own royal regime for maintenance of stability.

Referring to a *New York Times* news report from Karachi which discussed the possibility of merger between the two countries,[1] Zafrulla said he felt this story had been leaked to the *Times* representative from Sardar Atiq Rafiq, the Afghan Minister to Karachi. Zafrulla com-

[1] See footnote 8, *supra*.

mented on the somewhat curious tactics of the Afghan Minister who had suggested to Zafrulla that while discussions between them went on the press be given no indication of possible improvement in the chronic animosities of the two countries, since the Afghans felt that this might "change the atmosphere."

689.90D/9–2554 : Telegram

The Chargé in Afghanistan (Little) to the Department of State [1]

CONFIDENTIAL KABUL, September 25, 1954—2 p. m.

100. Pakistani Ambassador Shah informed me today Foreign Minister Naim and Pakistani Prime Minister had two meetings during former's stay Karachi en route US. Principal subject discussion was Pushtunistan. Pakistani Prime Minister informed Naim (1) GOP considered Afghanistan followed Hindu dominated policy, (2) Pakistan had never interfered in Afghan affairs notwithstanding Pakistani interest in Pushtuns, and fact Hindu Kush is natural Pakistani defense line, (3) Pakistan could not consider cession one single inch present territory, (4) Pakistan and Afghanistan should work together for improvement living conditions Pushtuns, both countries respecting territorial integrity other. Pakistani Prime Minister refused consider Naim's argument past relations GOA with Pushtuns in NWFP gave GOA right intervene their behalf. Pakistani Prime Minister and Naim agreed continue discussions in US.

I believe Naim during his visit will make another effort persuade US intervene mediate Pushtunistan issue. I see no reason why Department should modify its previous unwillingness intervene this dispute.

LITTLE

[1] This telegram was repeated for information to Karachi.

Karachi Embassy files, lot 59 F 3, 320 Afghanistan/USSR

Memorandum of Conversation, by the Counselor of the Embassy in Pakistan (Emmerson) [1]

CONFIDENTIAL [KARACHI,] October 5, 1954.

Participants: Colonel A.S.B. Shah, Pakistani Ambassador to Afghanistan
John K. Emmerson

Colonel Shah called at the Embassy at his request. He referred to our previous conversations in Kabul and Karachi of some months ago.

[1] Memorandum transmitted in covering despatch 190, Oct. 7. In another enclosure, the Embassy suggested that the Department consider military aid to Afghanistan, possibly through Pakistan, to encourage a settlement of the Pushtunistan issue.

I asked him whether he believed any progress had been made in bettering relations between Pakistan and Afghanistan. He said that he was less optimistic about the situation now than he had been when he talked to me previously.

Ambassador Shah briefly outlined the history of the discussions which had been going on between the Governments of Pakistan and Afghanistan during the past year. He said that when he was first assigned to Kabul he was prepared to work for closer relations between the two countries in the defense, economic, political and cultural fields. The visit of Vice President Nixon and his frank discussions with the King and other high officials of Afghanistan had furthered the development of improved relations. Consequently, Attik Rafiq had been sent as Minister to Pakistan and discussions had been carried on with the Foreign Office in Karachi. During the course of these discussions, Attik Rafiq had proposed that the ultimate objective be discussed first and then, working backwards, the intermediate steps would be filled in. This ultimate objective was described by Attik as a confederation of the two countries. While he made the proposal as a personal one, nevertheless he submitted it in writing to the Pakistan Government. When Attik returned to Kabul he was reprimanded for having gone beyond his instructions. As Colonel Shah described it, he was given a pretty hard time and thoroughly "raked over the coals". As a result, Attik returned to Karachi and began to take a very stiff line in order, as Colonel Shah believes, to convince his Government that he was following their policy. He made a number of public statements about Pushtoonistan and in general made himself extremely unpopular with Pakistan Government officials. The position of the Afghan Government changed and they insisted that no discussion of confederation would take place without a parallel consideration of Pushtoonistan. They had seen in Attik's proposals a quashing of the Pushtoonistan issue.

In the meantime, following the granting of U.S. military aid to Pakistan, the Afghan Government began to come under heavier pressure from both the USSR and Communist China. The Russian pressure took the form of the proposed pipeline,[2] which would bring about a thousand Russian "technicians" into Afghanistan, and a series of projects. The Czechoslovak Government proposed a five million dollar assistance program which would include the construction of a glass factory, a cement factory and provision of agricultural implements. The Afghans turned down the Soviet pipeline project but have accepted others. The Indians became very active in attempting to persuade Afghanistan to follow a neutral line. They are reported to have offered

[2] An assessment of Soviet economic pressure on Afghanistan, which included a proposed gasoline pipeline from the border of the Soviet Union to Mazar-i-Sharif in northern Afghanistan, can be found in despatch 35 from Kabul, Sept. 7, 1954, file 661.89/9–754.

guarantees, which would be shared by China, in return for Afghan commitment to a neutral course.

In the meantime, the Pushtoonistan issue has been kept alive. Colonel Shah suggested that the Afghans may not be aware of some dangers in the issue which they are pushing. They should realize, he said, that the seven million Pushtoons on Pakistan's side might exert more influence than the three million Pushtoons on the Afghan side. At the same time, separatist movements might also appeal to the Uzbeks, Tajiks, and other peoples who have racial affinities with provinces within the Soviet Union.

Colonel Shah indicated that he still thought the face-saving formula of agreement by Pakistan to change the name of the Northwest Frontier Province might be a useful one.

The Ambassador said that he was now in Karachi for a series of conferences with the Foreign Secretary. Pakistan's policy toward Afghanistan was up for discussion and decision. The question to be decided was whether it was profitable for Pakistan to continue the policy of friendly effort to better relations or whether a tougher policy would be more productive. Colonel Shah said it was quite understandable that the Government was disappointed in his efforts, since after two years he had nothing to show for his attempts to bring about a *rapprochement* between the two countries. It is natural that the Government of Pakistan should be impatient and should expect some results from this kind of policy.

The Ambassador said he believed that it would be beneficial for a closer coordination to be effected between policies of the U.S. and Pakistan with respect to Afghanistan. Pakistan ought to be guided by the general line which the U.S. might decide to take.

Finally, Ambassador Shah said that he did not agree with those who thought a real deterioration in relations between Pakistan and Afghanistan had taken place. The fact that the Afghans were prepared to discuss matters with the Government of Pakistan was an encouraging sign. The Afghan Foreign Minister had stopped in Karachi on his way to the United States and would stop again on his way back to Kabul for a series of conversations. Colonel Shah will be back in Karachi for those talks.

It was evident in the implications of Colonel Shah's remarks that he has been criticized by his own Foreign Office. It is known, for example, that the Secretary of the Foreign Office, Mr. J. A. Rahim, recently stated that Colonel Shah had gone much too far in offering concessions to the Afghans. He apparently was referring to Colonel Shah's formula with respect to the Northwest Frontier Province.

It is apparent that the question of a friendly or a "forward" policy toward Afghanistan is under active consideration now by the Government of Pakistan.

689.90D/10–854

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher)

SECRET [WASHINGTON,] October 8, 1954.

Subject: Views of Afghan Foreign Minister

Participants: The Secretary
Prince Naim, Foreign Minister and Deputy Prime Minister of Afghanistan
SOA—Mr. Smith
Mr. Thacher

Prince Naim said Afghanistan found itself in a new and difficult situation largely because of increasing American concern in the Middle East as exemplified by our decision to give military aid to Pakistan. Afghanistan, however, is not integrated into this growing security system and feels particularly exposed to the threat of its northern neighbor. The latter may stimulate acts of rebellion, confusion and infiltration in Afghanistan which makes it imprudent for Afghanistan to resist USSR overtures in the form of economic assistance offers. Afghanistan senses too a threat from India's increasing interest in the affairs of other Asian and African countries.

Prince Naim sees Afghanistan's security as best assured through close cooperation with Pakistan. He had discussed with Pakistani leaders the possibility of a merger between the two countries. He had tried to assure them that in supporting the concept of Pushtunistan, Afghanistan had no desire for political gain or territorial aggrandizement at Pakistan's expense. Afghanistan is deeply anxious that this problem should not remain a barrier to a settlement with Pakistan since if Afghanistan remains exposed, it may at last fall victim to pressures from the north with serious adverse consequences for the safety of the entire sub-continent. But, once the Pushtunistan question is settled, then the whole area would be strengthened and Afghanistan would have no uneasiness over U.S. plans for strengthening Pakistan.

Prince Naim stressed his country's need for economic and military assistance. It now lacks adequate weapons for maintenance of internal security and for training purposes. Naim expressed deep appreciation for economic aid previously received from the U.S., the immense long-range benefits of which he recognized. However, Afghanistan now needs further economic aid for other urgent projects which will yield immediate tangible returns.

Naim stated finally that his country's policy was based on friendship with the free world under U.S. leadership and on friendship with its neighbor, Pakistan.

The Secretary stated that we are anxious to see close, untroubled

relations between Afghanistan and Pakistan, and we hope the Pushtunistan issue will not be a permanent obstacle to achieving this. The U.S. will give careful consideration to Afghanistan's requests for military and economic aid, and will communicate further with the Government of Afghanistan through its Ambassador in Washington. (The attached memorandum handed the Secretary by Prince Naim expounds the above Afghan views in greater detail.)[1]

[1] Not printed.

689.90D/10-854

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher)[1]

CONFIDENTIAL [WASHINGTON,] October 8, 1954.

Subject: Afghan Problems

Participants: Prince Naim, Foreign Minister and Deputy Prime Minister of Afghanistan
NEA—Mr. Byroade
Mr. M. Kabir Ludin, Ambassador of Afghanistan
SOA—Mr. Thacher

Prince Naim declared that Afghanistan was beset by deep anxiety and a lack of hope. The Afghans have earnestly attempted to reach a settlement with Pakistan on the Pushtunistan question with which so much of importance to them is linked. Prince Naim said he was deeply troubled by recent intensification of USSR interest in Afghanistan, the direct result of the Turkey–Pakistan pact[2] and the U.S. decision to give military aid to Pakistan. Afghanistan is aware of the growing power of India and the possible threat this poses to the security of neighboring nations.

Naim discussed his hope for "greater unity" of Pakistan and Afghanistan which if achieved could make it possible for the United States to contribute to a security system in this area without creating apprehension in the minds of any of its friends. Meanwhile Afghanistan desperately requires the means to deal with its own problems of internal security. It needs arms and the facilities for training officers. The safety of Afghanistan is in the final analysis, the safety of the whole Indian subcontinent, and in spite of the friendly face presented by their neighbors to the north Afghans are deeply apprehensive of Russian pressure. Touching on economic matters Prince Naim urged the need for short-term development projects which if promptly

[1] Initialed by Byroade, indicating his approval.

[2] For the text of the Turco-Pakistani Agreement for Friendly Cooperation, signed at Karachi on Apr. 2, 1954, see Royal Institute of International Affairs, *Documents on International Affairs, 1954*, p. 185.

accomplished would be an antidote to the despair and hopelessness now prevalent.

Mr. Byroade described our deep concern with the entire Middle East situation. Our goal is to provide military and particularly moral strength for the countries in the Middle East. The USSR could of course send its military forces into the area practically without opposition. However, U.S. military assistance to these countries should make clear to the Russians that they could not take the area without a general war. Next steps in this direction would perhaps be for Iran and Iraq to join Turkey and Pakistan in development of a defense system. Probably it would be better for Afghanistan to allow this system to gather some strength before joining it. We realize Afghanistan's need for military equipment but when, in the nature of things, we have to move so slowly, would it be wise to promise Afghanistan military aid which might not reach its destination for some time after our intention to send aid was known throughout the world? Thus we are trying to think of other means of assisting Afghanistan.

Mr. Byroade compared the Pushtunistan question to the problem of the Saar in Europe. The Saar problem can perhaps be resolved only in some greater scheme for European unity. Could Pushtunistan be settled in the context of a plan for closer unity of Pakistan and Afghanistan? Settlement of the Pushtunistan problem seems to block so many things including Afghanistan's adherence to a program for area defense. At present Pakistan is preoccupied by a number of domestic difficulties, but we would be glad to do what we can to promote some steps toward unity of the two countries although we do not believe much would be gained from formal negotiations. Mr. Byroade asked if any hopeful signs had become evident in recent Pakistan-Afghanistan discussions.

Prince Naim said that Afghanistan's security was important to all Muslim nations and that he was deeply aware that security could only be achieved in union with others. In spite of his best efforts, however, he could not succeed in downing Pakistan's suspicions. Afghanistan desired only a just settlement without loss or gain to anyone. Pakistan could not be made to believe this. Mr. Byroade's remark that the Pakistanis felt that they have a good legal case brought a brief but emphatic historical argument for Pushtunistan from Ambassador Ludin. Mr. Byroade informed the Afghans that we had made clear to Pakistan our military aid was not for use in their arguments with their neighbors and that in fact we believe this aid creates a desire within Pakistan to get its difficulties with its neighbors straightened out. He promised that the problem of Afghanistan's present position would be the subject of further careful deliberation in the Department and of discussion with the Secretary.

689.90D/10-1254 : Telegram

The United States Representative at the United Nations (Lodge) to the Department of State

CONFIDENTIAL NEW YORK, October 12, 1954—5 p. m.

257. Re Afghanistan Pakistan merger.

Prince Naim, Deputy Prime Minister and Minister for Foreign Affairs of Afghanistan, came to see me Saturday, October 9th, and said he was glad to avail himself of my invitation to call and discuss some of the problems of his country. He said that Afghanistan was a member of the free world and owing to long experience with its Russian neighbors was strongly opposed to Soviet Communism. However, the sending of military aid from the US to Pakistan had created an immediate Soviet reaction and the resulting situation presented one of the chief difficulties faced by Afghanistan today.

Prince Naim said that the USSR was pressing Afghanistan to accept economic aid and specialists of various kinds to assist in the development of the country. In response to my question he said that Afghanistan had been compelled to accept a few of these specialists, owing to the danger of internal subversive political action in the event of refusal.

The only way to keep Afghanistan securely in the free world, in the opinion of Prince Naim was to bring about a form of federation with Pakistan. I inquired whether this would be an alliance along the lines of Benelux. Prince Naim replied that it would be a good deal closer than that. It would be a type of union in which the two countries would be brought together under one flag. Prince Naim described in some detail the frontier problem now existing between the two countries (Pushtoonistan) where the people of northern Pakistan were racially and religiously similar to those of Afghanistan, an area which was in fact a serious sore spot for the free world. He advocated the abolition of the Afghanistan–Pakistan frontier, which was actually the old British northwest frontier, and thus merging the two countries together.

I inquired what the views of Mohammed Ali were on this subject. Prince Naim said that he had talked to Mohammed Ali in Karachi, but that Mohammed Ali had remained suspicious and had not given him much encouragement. Prince Naim therefore said that it would be in the interest of the free world if the US could offer its good offices in promoting this plan and that it was a matter of life and death for his country.

Mr. Villard, US GADel,[1] inquired whether there were good relations between Afghanistan and Turkey. Naim responded that these relations were excellent and that Turkey was a good friend of both Afghanistan

[1] Henry Villard, Senior Adviser to the U.S. Delegation to the Ninth Session of the UN General Assembly.

and Pakistan. To Mr. Villard's query whether Turkey might not serve as intermediary rather than the United States, Prince Naim observed that despite Turkey's friendship for Afghanistan, Turkey would not carry sufficient weight in a case of this kind. He thought that the US would be the best country to serve in any consideration of Afghanistan–Pakistan federation scheme.

Comment: Prince Naim's proposal seems to have great merit and to be bold and statesmanlike. From where I sit it appears to be clearly in the best interest of the US. Recommend it be informally studied having in mind Turkish and US good offices.

LODGE

Editorial Note

National Intelligence Estimate NIE–53–54, "Outlook for Afghanistan", issued on October 19, 1954 (page 1481), contained the following assessment of the Pushtunistan controversy:

"40. The chances for an improvement in Pakistan-Afghan relations, now dominated by the Pushtunistan controversy, are poor. Afghan agitation of the issue is likely to continue, particularly while Daud continues as prime minister. While most other nations oppose the Afghan proposal, covert support from India, and possibly from the USSR, is likely to encourage Afghanistan to persevere in its demands. It is possible that Afghanistan may take the issue to the UN.

"41. Pakistan is unlikely to give in to these pressures. It will probably continue its present policy of economic betterment in the tribal areas and a gradual integration of the tribes into settled life."

780.5/10–2054

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher) [1]

SECRET [WASHINGTON,] October 20, 1954.

Subject: Pakistani Views on Negotiations with Afghanistan

Participants: Sir Zafrulla Khan, Pakistan Foreign Minister
Mr. Chaudhri Mohammad Ali, Pakistan Finance Minister
Mr. Syed Amjad Ali, Ambassador of Pakistan
NEA—Mr. Byroade
SOA—Mr. Smith
Mr. Thacher

In one of the meetings with the Pakistanis held during the Prime Minister's visit to Washington there was a brief discussion of Pakistan–Afghanistan relations.

---

[1] Initialed by Byroade, indicating his approval.

Mr. Byroade said we had informed the Afghans that this was probably not the time for them to join a Middle East alliance. When the latter had grown to the point where it could command respect, then perhaps would be the time for Afghan adherence. He said we had also informed the Afghans that we doubted the wisdom of any military aid agreement providing U.S. military assistance for Afghanistan. We had said that we would, however, be happy to see some moves for closer relations between Afghanistan and Pakistan.

Sir Zafrulla said that in discussions with the Afghans, they had a tendency to cover a wide range of rather disjointed ideas. Recently they had talked about the desirability of the federation of the two countries, expressing their willingness for the moment to drop the Pushtunistan issue. In the Pakistan view, however, it would be better to start with a more modest approach—for example cooperation in some joint economic and scientific programs. Thus excess power produced by the Warsak project in the Northwest Frontier Province might be sent across the border to the Jalalabad area in Afghanistan where it is needed. The Pakistanis believe Afghanistan still requires the stabilizing influence of the royal family, although Atik, the Afghan representative in Karachi, had insisted that the royal family was ready to take whatever risk to their position confederation might involve.

Zafrulla said that Atik had gone about discussing the desirability of confederation but that he had been most annoyed when it got into the press. Edgar Mowrer, the American foreign correspondent, had reported to the Pakistanis that Atik had talked of a Pushtunistan extending up to the Indus River. Later, in discussion with Zafrulla, Atik had insisted that even though the two countries were discussing various possible settlements, this should not be made public and that Pakistan and Afghanistan should continue to maintain a public posture of unfriendliness with exchange of hostile radio propaganda, etc. Zafrulla indicated that the Pakistanis found the Afghan gyrations incomprehensible and a difficult basis on which to make real progress.

Mr. Byroade said that we had been encouraged lately by continuing contacts between the two countries and that he hoped Pakistan would let us know of anything which we might do to bring the two countries closer together.

689.90D/10–2354 : Telegram

The Chargé in Pakistan (Emmerson) to the Department of State [1]

SECRET KARACHI, October 23, 1954—5 p. m.

562. Foreign Secretary requested me call at Foreign Office, said wished keep United States Government entirely "in the picture" with

---

[1] This telegram was repeated for information to Kabul.

respect Pakistan's policy toward Afghanistan. Foreign Secretary stated GOP still re-assessing policy, had not given up hope improving relations (although risking charges of adopting "soft" attitude) and that Prime Minister would confer with Afghan Foreign Minister when latter returns from United States and Europe.

GOP apprehensive over Russian influence Afghanistan and had impression Afghans think United States would pressure GOP make concessions Afghans. Foreign Secretary suggested would be grateful reactions United States Government Afghan question.

Re Embassy's despatch 190, October 7,[2] Embassy would appreciate any guidance which Department might desire give.

EMMERSON

[2] See footnote 1 to the memorandum by Emmerson, p. 1417.

689.90D/10–2954

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher) [1]

CONFIDENTIAL [WASHINGTON,] October 29, 1954.

Subject: Afghanistan–Pakistan Relations

Participants: Mr. M. K. Ludin, Ambassador of Afghanistan
NEA—Mr. Byroade
SOA—Mr. Thacher

Ambassador Ludin said he believed the new cabinet in Pakistan [2] served simply to strengthen what were the real governing influences in the country: the Civil Service and the Army. He expressed particular interest in the selection of Dr. Khan Sahib (pre-[illegible] Chief Minister of NWFP who was kept in jail or detained by the Pakistan Government until a few months ago) for membership in the cabinet. The Ambassador declared that if Dr. Khan Sahib and his brother Khan Abdul Ghafar Khan ("the frontier Gandhi") were permitted to reactivate their political machine in the Frontier Province they would soon have political control of the Pathan tribesmen in Pakistan. The Ambassador believed that these two influential leaders could be expected to take a pro-Pakistan attitude on the subject of Pushtunistan. Thus if a plebiscite were held it would probably result in a verdict against Pushtunistan and in favor of Pakistan. The Ambassador felt such a result would be accepted by Afghanistan and would represent a gracious settlement of the Pushtunistan problem.

Mr. Byroade said that plebiscites do not always bring a happy solution. There are usually hurt feelings on one side or the other. Our hope

[1] Initialed by Byroade, indicating his approval.

[2] On Oct. 24, Prime Minister Mohammed Ali announced a reorganization of the cabinet. The reorganization was completed on Oct. 28 with the inclusion of Dr. M. L. A. Khan Sahib, the leader of half a million members of the Khudai Khidmatgars (Servants of God). (*New York Times*, Oct. 25 and 29, 1954)

is that Afghanistan and Pakistan will continue to work for steps that will bring them closer together. Prime Minister Mohammed Ali had expressed his willingness while he was here to consider definite action to bring the two countries together. He did not think it impossible to do this and he did not think that useful action need be put off forever. We believe the best way of promoting unity between the two countries is through continuation of quiet bilateral talks. However, we should like to do anything we can to promote the idea of unity between the two countries although we are not certain now exactly how we can help. But there is a lot of interest in this idea in the United States Government from the President on down. The President had in fact mentioned to Mr. Byroade his interest in the possibility of Pakistan and Afghanistan drawing together.

Ambassador Ludin asked whether any decisions had been made in the U.S. Government concerning the problems discussed by Prince Naim during his visit to this country (i.e. Afghan interest in securing military and economic assistance).[3] Mr. Byroade said he regretted that the Secretary's absence and heavy load of other duties had made it impossible for him to give thoughtful and careful attention to this problem. Mr. Byroade expressed his intention to have further discussion of Afghan problems with the Secretary, but he wanted to be sure the Secretary had an opportunity to consider them with the thoroughness they deserved.

Ambassador Ludin asked whether it might be possible for the United States to say something to the Turks which would encourage them to provide Afghanistan with further assistance in training army officers.

Mr. Byroade said that during his visit to Turkey last spring he had discussed the desirability of providing military training opportunities there for officers from armies of the other Middle East nations. In general the Turks had expressed sympathy with this idea.

The Ambassador said that whenever we had reached any decisions on the questions placed before us by the Afghans he would be glad to come in and hear our decisions, and that he would leave further initiative in discussion of these matters with Mr. Byroade.

[3] See the memoranda of conversation by Thacher, Oct. 8, pp. 1420 and 1421.

689.90D/10–2854 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

SECRET WASHINGTON, November 4, 1954—5 : 15 p. m.

582. Embtel 562.[2] In discussion with Pakistanis you might say we share fully their concern recent intensification Soviet interest Afghan-

[1] Drafted by Thacher, approved by Jernegan, and repeated for information to London and Kabul by pouch.

[2] Dated Oct. 28, p. 1425.

istan evidenced bilateral economic agreements but do not believe these foreshadow aggressive Soviet military action to control area. Without counteraction gradual drift of Afghanistan toward Soviet orbit seems probable.

We do not sympathize with extent of Afghans' Pushtunistan claims and have attempted discourage them. U.S. recognizes clearly difficulties this issue for Pakistan and serious barrier it constitutes improvement Pakistan–Afghanistan relations.

However we believe most important Pakistan continue discuss common problems with Afghans in effort reach mutually agreeable settlement. Admittedly we have little evidence relaxation Afghan inflexibility re Pushtunistan but we find encouraging recent statements Afghan spokesmen indicating their eagerness achieve closer relations Pakistan which they aware best means developing needed strength resist Soviet encroachment. Any formula face saving for Afghans which can be devised by Pakistanis probably worth trying. Perhaps best promise of closer ties lies in exploration possibilities common economic and developmental programs thus strengthening weak Afghan economy now principal target Soviet tactics.

US ready use its good offices informally to assist parties in their bilateral discussions but we see little value at present in our involvement formal negotiations.

FYI possibility US economic assistance policy to promote increased Pakistan–Afghanistan economic cooperation and establishment better atmosphere between two countries now being developed in US Government. Will inform you soonest developments.

DULLES

689.90D/11–554

Memorandum of Conversation, by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)

SECRET [WASHINGTON,] November 5, 1954.

Subject: Afghan-Pakistani Relations

Participants: Amjad Ali—Ambassador of Pakistan
John D. Jernegan—Deputy Assistant Secretary—NEA

Following discussion of another subject, the Ambassador said that he had been thinking a good deal about the reasons which might lie behind the recent Afghan indications of interest in a federation with Pakistan. He wondered if the Afghans had been trying to deter the Russians from increasing their pressure on Afghanistan. He had written Prime Minister Mohammed Ali to suggest that he try to find out

just what the picture was and that he put some good men on the problem.

I agreed it was possible that the Afghans were frightened into trying to develop a counter-weight to the Soviets. If they were merely pretending to want federation, however, I thought this would be very unwise tactics. Russian knowledge of plans for federation would be likely to inspire the Soviets to take more aggressive action in Afghanistan in order to forestall the federation.

I went on to say that we had been giving more thought to the general problem of Afghanistan's situation and that the more I thought about it the more I thought the best and safest answer lay in the step by step development of closer economic relations between Pakistan and Afghanistan. Even if both Governments sincerely desired it, immediate political federation would be extremely difficult to bring about and might not be in Pakistan's short-range interest. It would add to Pakistani territory a large undeveloped area with a weak economy and still weaker military forces, which Pakistan would be called upon to support and defend. The Ambassador indicated his agreement.

On the other hand, I said, economic cocperation would help build up Afghanistan as well as Pakistan. I did not know whether they were sound from an economic or engineering point of view, but various possible projects had occurred to me which might be undertaken on a cooperative basis. They included the establishment of a free port at Karachi, the development of a good road from the Pakistani frontier to Kabul, the development of electric power in the Helmand Valley and its transmission for use in the Quetta area, and the use of power from the Warsak Development in the Jallalabad area of Afghanistan. I also mentioned the possibility of improving the Pakistani railroad lines running to the Afghanistan frontier.

The Ambassador indicated that all of these seemed worth considering. With regard to the railroad, he observed that the difficulty lay in the very high freight rates which the Pakistani railroads had to charge. He felt the Afghans were justified in complaining about these rates, although he did not know what could be done to bring them down. I suggested that we might consider whether in some future year a portion of American aid might not be allocated to improve the efficiency of the Pakistani railroads, dividing the allocation of the cost of this particular project between Pakistan and Afghanistan.

The Ambassador said the Afghan Foreign Minister, Prince Naim, had been invited to stop in Karachi on his way back to Kabul and he hoped there could be some useful conversations. I said we had heard of this and had sent Ambassador Hildreth some general thoughts along the lines I had mentioned.[1]

[1] Telegram 582, *supra*.

689.90D/11–854

The United States Representative at the United Nations (Lodge) to the Secretary of State

SECRET NEW YORK, November 8, 1954.

DEAR FOSTER: On October 12 I reported to the State Department a conversation with Prince Naim of Afghanistan to the effect that Afghanistan wanted to merge with Pakistan. It seemed to me that this was an event of enormous strategic significance for the free world, and would change what is now a weak situation into a strong situation.

Yesterday Prince Aly Khan[1] (who, in addition to his other better known activities, has good connections with Pakistan) told me in the utmost secrecy that the merger of Afghanistan and Pakistan was all agreed to and would soon be made known.

My purpose in writing this letter is to tell you this in case you do not know it already, because I would like to see you somehow get in on the publicity, as this would be another important addition to the already growing list of world developments that are favorable to the U.S. interests.

Sincerely yours, HENRY CABOT LODGE, JR.

[1] An alternate representative on the Indian Delegation at the United Nations.

689.90D/11–1954

The Ambassador in Pakistan (Hildreth) to the Department of State

SECRET KARACHI, November 19, 1954.

No. 297

Subject: Pak-Afghan Relations

The purpose of this despatch is to summarize the salient points developed in several recent discussions which the Ambassador and members of the Embassy staff have had in Karachi and in Kabul on the subject of Pakistan–Afghanistan relations, and to offer certain comments for the Department's consideration.

The Ambassador and several members of the Embassy staff flew to Kabul with the Air Attaché the weekend of November 5–7. While there, they talked at some length with the American Ambassador and members of his staff, and with the staff of the Pakistan Embassy in Kabul. (Ambassador Shah was absent from his post.) The principal points which emerged from these discussions may be summarized as follows:

1. Soviet efforts at penetration of Afghanistan are increasing in pressure, and have already reached a point to cause us serious disquiet. The Pakistanis are acutely conscious of this development and are seeking all possible ways to check it. (The Embassy staff were im-

pressed with the caliber of Pakistani representation in Kabul; considering the relative scarcity of trained skills in the Pakistan Foreign Service, they have obviously made a considerable effort here. To a considerable extent, however, this has been accomplished by means of recruitment from other than the normal sources. Pakistan Embassy officials in Afghanistan expresed annoyance that the people with "big names" in Pakistan wanted assignments in the Western countries and were relucant to go to Afghanistan in spite of its greater importance to Pakistan.)

2. A solution of the Pushtu question is the obvious prerequisite of effective Pakistani moves to the above end. At present, such a solution is nowhere in sight. Prime Minister Daud is so emotionally involved in the issue, and his personal prestige so bound up with it, that it would be unrealistic to expect any change in the inflexible Afghan position so long as he retains his dominant voice in Afghan policies.

3. Nevertheless, there is no fundamental anti-Pakistani feeling in the country, and basic conditions are such as to make possible an accommodation on the issue if Daud specifically, and the royal family generally should change their attitude. In spite of the synthetically fabricated anti-Pak campaign in the press (thought to be heavily subsidized by India) the people generally show themselves friendly to Pakistan. In fact, there appears to be considerable uneasiness with the Government policy of aligning itself with India, whose internal and external policies can be considered as anti-Moslem, and against Moslem Pakistan. It is difficult to assess the strength or potential importance of this attitude, but it is a factor which might become significant.

4. The motives of the Afghans in putting forward the Federation concept last spring are not completely clear. At the moment, the idea is quiescent, and it is best that it should remain so for the time being. Signs that such a move was being seriously considered might be a signal for the Soviets to move with vigor. Before this risk is run, Pakistan's military strength should be very substantially increased, and, if possible, other deterrents developed in the area.

5. As a practical matter, for the Pakistanis there seems to be no feasible alternative at present to the policy they are following. This policy is understood to include the following elements:

a. Despite the constant Afghan provocation, to maintain a friendly attitude and a certain tolerance of the abuse which is their lot. (There are influential Pakistanis who reject this idea and have urged a campaign of retaliation, including the incitement of a jirgah or so. This policy threatened to win acceptance for a while last spring, according to Colonel Shah, but has lost ground in recent months.)

b. To try to persuade the Afghans to work with them in the removal of specific irritants in the relations of the two countries.

c. At the same time, to strengthen and consolidate their position in the tribal areas to the east of the Durand line, and to make a concentrated effort to improve the living conditions of the Pathans in this area. (This will be the most effective possible means of exerting pressure on the Afghans. At the same time, such an effort is needed to counter the demonstration which the Soviets are making among the peoples immediately to the north of Afghanistan of the material benefits which Communism brings.)

d. It would be a most useful concrete measure if the Paks could persuade the Afghanis to cooperate on at least one joint project of mutual benefit. Once the possibilities of fruitful cooperation had been demonstrated, it might be possible to extend the principle. (This recommendation had been made by Ambassador Ward both at the Ambassadorial Conference in Istanbul last May and during his subsequent visits to Washington.)[1]

6. Given the realities of the situation in Afghanistan and the limitations inescapably imposed on direct U.S. intervention there, the conclusion seems clear that U.S. policy objectives in this general area can be best served by a rapid strengthening of Pakistan. (Ambassador Ward concurred unreservedly on this proposition.) We should encourage the Paks to follow the policy outlined in paragraph 5 above. However, in encouraging "*c*" we shall need to be particularly discreet and avoid any overt involvement, since in the present highly nervous state of the Afghan leaders this would be interpreted as a hostile act and might impel them definitely into the Soviet camp.

Following his return to Karachi, the Ambassador had talks on this general subject with the Prime Minister and Colonel Shah, the Pakistani Ambassador to Afghanistan, who was in the city on consultation, and Embassy officers discussed the matter with Secretary Rahim of the Foreign Office. The following points were developed in the course of these discussions:

1. The discussions just concluded betwen Pak officials and the Afghan Foreign Minister, Prince Naim, showed the Foreign Minister in a more conciliatory mood than previously, and the Pakistanis were feeling somewhat encouraged.
2. There had been no mention of Federation in these discussions, and the idea was not active at this time.
3. The Paks think that the way to proceed is to take up with the Afghans a series of specific problems: trade, customs, etc. and settle these one by one.
4. The Paks are definitely interested in the possibility of securing Afghan agreement to cooperate on some joint project.

Embassy comment: So far as the Pakistan Government is concerned, there is no doubt of the welcome which it would give to any proposals of the United States Government designed to assist and facilitate Pak-Afghan collaboration in the economic development of the Pushtu area. (Deptel 582, November 4, 1954.)

With the expanded development program in prospect for next year, and the increased availability of counterpart funds, there should be opportunity for accelerated development in the tribal areas within Pak jurisdiction. The Embassy believes that in addition to the objectives listed in 5*c*, such developments might serve specific U.S. security

[1] A conference of U.S. Chiefs of Mission in the Near East area was held at Istanbul, May 11–14, 1954. Ambassador Ward visited Washington for consultation and home leave from June 16 to July 2 and from Aug. 16 to 20. For documentation on the Chiefs of Mission conference, see volume IX.

interests in the area, and that they should be discreetly examined. The Embassy concurs in the judgment that the United States should not be openly involved in any such developments, but considers that ways might be found to accomplish these objectives through indirection.[2]

For the Ambassador:
ALEXANDER B. DASPIT
First Secretary

[2] Marginal comment by an unknown author: "maybe but pretty risky".

689.90D/11–854

The Secretary of State to the United States Representative at the United Nations (Lodge) [1]

SECRET [WASHINGTON,] November 22, 1954.

DEAR CABOT: Thank you very much for your letter dated November 8 referring to your conversations with Prince Naim and Prince Aly Khan regarding a possible merger between Afghanistan and Pakistan.

As you know, following discussions between Pakistan and Afghan representatives in Karachi last March during which the possibility of some form of confederation was explored, we have been following this problem very closely.

United States policy toward Afghanistan presently is being studied in the working levels of the National Security Council and within a few weeks I expect to have an amended policy statement in which our position with regard to confederation between Pakistan and Afghanistan will be stated.

Under certain circumstances confederation of Afghanistan and Pakistan might be to our national interest. However, there are a number of considerations which lead me to believe that the United States should not play any public role in bringing about confederation between Afghanistan and Pakistan. We see confederation as the product of an indigenous evolutionary process covering a considerable period of time during which we would attempt to encourage closer relations between Afghanistan and Pakistan by economic assistance and other means. Conspicuous United States activity, however, might alarm India and the Soviet Union to a degree which would be harmful to Afghanistan and render a confederation impossible. Furthermore, internal political conditions in Pakistan and the known hostility between Pakistan and Afghanistan make it desirable for us to act with caution and, to be effective, secretly at least for the time being.

[1] Drafted by Smith. The substance of this letter was conveyed to Kabul in telegram 160, Nov. 27. (611.89/11–2154)

As soon as the NSC policy paper is approved, I shall have a copy sent to you.[1]

Sincerely yours, FOSTER

[1] See the editorial note on this page.

689.90D/12–254 : Telegram

The Ambassador in Afghanistan (Ward) to the Department of State[1]

CONFIDENTIAL KABUL, December 2, 1954—5 p. m.

203. Prime Minister Daud in press conference November 29 was asked GOA view on announcement Pakistan Prime Minister integration provinces West Pakistan into single governmental unit.[2] Daud stated (1) GOA demand rights Pushtunistan people had undergone no change; (2) GOA and Afghan people do not consider Pushtunistan part Pakistan territory; (3) enforcement integration decision with respect Pushtunistan territory is against rights Pushtunistan people; (4) regrets this new decision GOP coming at time when it was expected both sides would open negotiations and reach understanding, this new decision having made even more barren and abortive than before every hope for improvement relations two States.

Embassy believes this statement Daud slams door in face resumption Afghan-Pakistan negotiations at least time being and leaves Pushtunistan question no nearer settlement than before Foreign Minister Naim's trip New York. Pakistan Chargé believes statement kills proposed Kabul trip Pakistan Prime Minister. Daud statement also significant as first public declaration by Afghan Prime Minister to Embassy knowledge GOA does not consider Pushtunistan forms part Pakistan territory although similar view often unofficially expressed and recently stated in note Pakistan Foreign Office.

WARD

[1] This telegram was repeated for information to Karachi.

[2] On Nov. 20, Prime Minister Mohammed Ali announced that all of the provincial and state governments of West Pakistan would be integrated into a single unit. (*New York Times*, Nov. 21, 1954)

Editorial Note

At its 228th meeting on December 9, 1954, the National Security Council reconsidered United States policy toward Afghanistan in the light of increased Soviet pressure on Afghanistan. The President and the National Security Council considered recommendations that economic aid to Afghanistan be increased to a total of $30 million per year to encourage the Government of Afghanistan to resist Soviet pressure and to reach an accommodation with Pakistan over outstanding differ-

ences. The National Security Council decided that a significant increase in United States aid to Afghanistan would create the danger of increased Soviet interest and would do little to facilitate an understanding between Afghanistan and Pakistan. Secretary of State Dulles discounted the possibility and the value of confederation between Afghanistan and Pakistan and President Eisenhower agreed. The NSC decision was recorded in S. Everett Gleason's memorandum of discussion, drawn up on December 10, page 1147. The revised section of NSC 5409 relating to Afghanistan did reflect the continued desire of the United States to encourage a settlement of the Pushtunistan controversy. The revision of NSC 5409 is printed under cover of a memorandum by James S. Lay, Jr. to the National Security Council, dated December 14, page 1151.

689.90D/12–1354

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher)

SECRET [WASHINGTON,] December 13, 1954.

Subject: U.S. Thinking on Questions Raised by Prince Naim During his Visit to the U.S.

Participants: Mr. Mohammad K. Ludin, Ambassador of Afghanistan
NEA—Mr. Jernegan
SOA—Mr. Thacher

Ambasssador Ludin asked whether we could give him any replies to the questions raised by Prince Naim in his conversations with the Secretary and Mr. Byroade in October.[1]

Mr. Jernegan said that Prince Naim's remarks to Ambassador Lodge relative to the possibility of a confederation between Afghanistan and Pakistan had attracted considerable interest in this government but our feeling was that an attempt to carry out such a plan at this time might perhaps be somewhat premature. Pakistan is itself in the throes of an internal political reorganization, and in addition we felt that a confederation of the two countries might lead to a strongly unfavorable Russian reaction. Mr. Jernegan said that frankly we did not feel the amount of military aid which, in the light of our commitments elsewhere in the world, we could deliver to Afghanistan would be sufficient to be of any real benefit. We are not in a position to strengthen Afghanistan to the point where it could resist any outside attack. U.S. arms delivered to Afghanistan might simply create undue complications with the USSR. Moreover, considering the difficult budgetary and economic situation now existing in Afghanistan, we feared that a military buildup would result in increased internal expenses for the Govern-

[1] See the memoranda of conversation by Thacher, Oct. 8, pp. 1420 and 1421.

ment of Afghanistan, which it could not afford, and there might thus arise the question of finding means to assist Afghanistan in meeting these expenses.

Mr. Jernegan declared that on the other hand we saw considerable merit in gradually strengthening the ties between Afghanistan and Pakistan through development of closer economic relations. We were interested in the possibility of practical steps to bring Afghanistan into closer relations with the West through improving its communications with the rest of the world. As a practical matter it appeared that this would have to be done by developing Afghanistan's lines of communication with Pakistan, since opportunities for a similar strengthening of ties through Iran were not as apparent. At present Kabul must rely for its communication with the western world on the inadequate railway lines up to Peshawar and thence via the rough road from Landi Khotal. We thought there might be much advantage in the two governments working out means for improving these communications by consultation among themselves. The United States would have an interest in assisting such a development as this or in other mutually beneficial interchanges as, for example, the extension of power from the Warsak project in the NWFP over to Jalalabad or, similarly, of facilities for sending power from the Kajkai dam to areas in Pakistan where it was needed. Mr. Jernegan stressed that there were no funds in the present fiscal year ending June 30, 1955 for the U.S. to assist in these developments. Discussion between the two governments themselves to discover the feasibility of arrangements along these lines would naturally increase the interest in the U.S. Government in trying to discover means of assisting through loans or possibly through some grants in aid.

(On his way out of the building Ambassador Ludin expressed considerable disappointment with this line of thinking. He stressed that confederation had never been conceived of without the idea of some accompanying settlement of the Pushtunistan issue. He said that Afghanistan could not consider leaving aside the Pushtunistan issue and proceeding with the establishment of economic ties with Pakistan. He said he believed this desire for establishment of closer relations through strengthening economic ties with Pakistan had in fact been a position of the State Department for the last several years. He asserted that economic assistance was not really the problem. After all, Afghanistan could get such assistance from other sources—Czechoslovakia, for example. He professed to believe that Prince Naim had failed somehow to get across his point in his talks with the Secretary and other U.S. officials. Ludin indicated some hesitancy in reporting to his government what he had just been told, preferring rather to return for a further discussion with Mr. Jernegan.)[2]

---

[2] See the memorandum of conversation by Thacher, Dec. 22, p. 1438.

689.90D/12–1654 : Telegram

The Acting Secretary of State to the Embassy in Afghanistan[1]

SECRET WASHINGTON, December 16, 1954—6:10 p. m.

186. FYI. Following revised U.S. policy towards Afghanistan: 1) encourage closer economic political relations between Afghanistan and Pakistan thus creating conditions favorable settlement Pushtunistan and strengthening Afghanistan to better resist Soviet penetration 2) U.S. would assist Afghanistan strengthen its ties with Pakistan by: providing technical and economic assistance, by supporting sound development loan applications by Afghanistan to international lending institutions and by supporting inclusion Afghanistan in Colombo Plan as feasible[2] 3) U.S. would consider encouraging and assisting confederation only if two governments demonstrate convincing desire for its realization 4) U.S. will not for present extend military aid to Afghanistan. However upon attainment improved Afghan relations with Pakistan and Iran consider extending military assistance 5) Avoid giving impression U.S. favors participation Afghans in regional defense arrangements at this stage without foreclosing possible participation at later date. End FYI.

Ludin has questioned Department re progress our thinking points raised by Naim his talks with Secretary and others.[3] He informed we believe confederation concept somewhat premature since Pakistan in throes its own internal political reorganization and confederation of two countries might bring strongly unfavorable Russian reaction. Ludin informed amount military aid which we could in light our other commitments deliver Afghanistan would not be sufficient strengthen Afghanistan point where it could resist outside attack. U.S. arms delivered to Afghans might simply create complications with Soviets and impose increased burden on Afghan budget. On other hand we believe much merit in working for gradually strengthened Pak-Afghan ties through development closer economic relations. We interested in practical steps bring Afghanistan closer to West through improving its now inadequate communications with Pakistan and development other mutually beneficial economic interchanges such as delivery Warsak power to Jalalabad area. U.S. would have an interest in assisting through loans or perhaps grants such developments although it was stressed to Ludin that no funds in Fiscal year 1955 available and 56 appropriations still in planning stage. Ludin's preliminary reaction not favorable.

---

[1] Drafted by Thacher; cleared by Jernegan; repeated for information to Tehran, New Delhi, Moscow, London, Karachi, and Lahore by pouch.

[2] The Colombo Plan was a program calling for regional economic development adopted by the Commonwealth Consultative Committee on South and Southeast Asia in 1950. The United States agreed to participate in the development of the Colombo Plan in 1951.

[3] See the memoranda of conversation by Thacher, Oct. 8, pp. 1420 and 1421.

Department believes if you deem appropriate above should be communicated Naim as our present thinking. Stress should be laid fact U.S. does not now have available funds for such plans. Believe it important you emphasize also that while U.S. hopes two governments will continue efforts to reach mutually acceptable settlement of disagreements, possible course action described above does not represent U.S. effort persuade Afghanistan accept any given settlement with Pakistan nor U.S. desire establish political preconditions for any possible U.S. assistance.

FYI. Executive branch not yet agreed upon inclusion or amount economic aid in FY 56 budget for projects type described above.

Report Afghan reaction.[4]

HOOVER

[4] See telegram 242 from Kabul, Dec. 25, p. 1441.

689.90D/12-2254

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher)

SECRET [WASHINGTON,] December 22, 1954.

Subject: Afghanistan's Attitude Towards Cooperation with Pakistan

Participants: Ambassador Mohammad Kabir Ludin, Embassy of Afghanistan
Mr. John D. Jernegan, NEA
Mr. Nicholas G. Thacher, SOA

Ambassador Ludin said he had come in for some further discussion of the points mentioned by Mr. Jernegan on December 13.[1] He said that since Mr. Jernegan had mentioned the conversation between Ambassador Lodge and Prince Naim last fall in which Naim had alluded to the possibility of confederation between Afghanistan and Pakistan, he had seen Ambassador Lodge in New York and had tried to clarify Afghan views on this matter.[2] Ludin believed that perhaps Ambassador Lodge had been under a misapprehension as to Naim's suggestions about confederation, and he had wished to make it clear to Ambassador Lodge that Afghanistan could consider the possibility of close association with Pakistan only after there had been a settlement

[1] See the memorandum of conversation by Thacher, Dec. 13, p. 1435.

[2] In a memorandum dated Dec. 18, Ambassador Lodge recorded a conversation at the United Nations with Ambassador Ludin. Ludin explained that confederation between Afghanistan and Pakistan was contingent upon a solution of the Pushtunistan question and he asked that the United States exercise its good offices to facilitate a settlement. Lodge endorsed the request. (689.90D/12–1854)

of the Pushtunistan question. Ludin said that Ambassador Lodge had given him sympathetic attention and said he might find an opportunity to mention this problem to the President.

Ludin continued that he had not yet supplied a full report to his government on the points mentioned by Mr. Jernegan at their previous conversation since he wished to discuss them further. These are most difficult and anxious times for Afghanistan. Ludin said he was very discouraged by the recent decision of the Pakistan government to combine the provinces of West Pakistan into a single unit. This was a blow to the hopes of a majority of the members of the Pakistan Constituent Assembly, who had been, he understood, largely in favor of greater autonomy for the various provinces. In addition, this was a severe blow to the hopes of the people of the North West Frontier Province and the tribal areas for a just determination of their political rights. Although there are now two Pathans in the cabinet at Karachi, General Ayub and Dr. Khan Sahib, Ludin felt that the former was so strongly pro-British in outlook as to be scarcely a Pathan at all, and Dr. Khan Sahib might well be under severe restraints within the cabinet. Discouragement and disappointment at developments in Pakistan were reflected in a letter from Prince Naim which Ludin had received by special courier in the last few days. In this communication Naim stressed his interest in receiving the clearest possible answers to the questions he had raised with Department officials last fall. The courier who brought this message was now waiting to carry back a full report from Ludin on the Department's views.

Mr. Jernegan said that he wished to make clear that there was no misunderstanding on his part, nor did he believe on the part of Ambassador Lodge, relative to the importance which the Government of Afghanistan attached to settlement of the Pushtunistan question and its view that such settlement must be a prerequisite to confederation with Pakistan. However, in previous conversation with Ambassador Ludin, Mr. Jernegan had in a sense gone around this question in order to give our thinking on other possible means of developing cooperation between Pakistan and Afghanistan, since we do not see how we can be of any assistance in bringing about a settlement of the Pushtun question. We feel that were the two countries to undertake certain joint and mutually beneficial economic enterprises, a considerable measure of cooperation would by the very nature of the projects have to emerge. At the same time we do not wish to imply that we want to force any particular settlement with Pakistan on Afghanistan. We are not proposing to attach any strings or special political conditions to our aid.

Ambassador Ludin reiterated that this was a most difficult and anxious time for Afghanistan. Because of United States aid to Paki-

stan the latter's increasing sense of strength had made it more rigid and inflexible with regard to any settlement of the Pushtun question. Meanwhile, United States aid to Iran was helping that country to advance. In the north the Soviets were achieving economic progress in the areas adjacent to Afghanistan, and the latter thus found that on its northern, eastern and southern borders, countries were moving ahead in their development while Afghanistan remained in a kind of "trough of depression."

Referring to future U.S. aid to Iran, Mr. Jernegan said that most of this would be in the form of loans which reminded him of the fact that there had been considerable delay in concluding arrangements for Afghanistan to secure funds from the loan granted by the Eximbank last summer.[3] Ludin pleaded guilty personally for a good deal of this delay, saying it had arisen from certain misunderstandings about the terms of the loans.

Ludin described various impediments to cooperation with Pakistan. He said that any slight degree of cooperation by Afghanistan might be given a twisted public interpretation by the Pakistanis, who would maintain that Afghanistan had been agitating the Pushtun question merely as a means for getting economic concessions from Pakistan. Ludin said the Afghans were most upset over the way the Pakistanis had tried to make propaganda favorable to themselves out of the talks of the Afghan Minister in Karachi. He cited the press story by Callahan, *New York Times* correspondent in Karachi, that the Afghans were eagerly seeking confederation but which did not make clear the Afghan prerequisite of a Pushtun settlement.[4] Callahan had later admitted that he got his information from the Pakistanis. Similarly, when Naim had discussions in Karachi on his way to and from the United States, the Pakistan Urdu radio had broadcast that Naim had come hat in hand begging the Pakistanis for concessions and agreements. The Pakistanis would inevitably suggest that any steps toward cooperation represented some weakening of Afghanistan's firm stand on the Pushtun question.

Mr. Jernegan wondered whether this was perhaps a situation in which separate problems should be considered separately. Would it not be possible to go ahead on mutually beneficial economic agreements with Pakistan without an immediate settlement of the Pushtun question? Because of existing physical facts Afghanistan has inevitably to seek its connection with the free world through Pakistan.

Ludin said that increased economic ties with Pakistan would simply

---

[3] On Apr. 29, 1954, the Export-Import Bank authorized a new loan to Afghanistan. For information regarding this loan, see the memorandum by Kirk and the letter from Arey, pp. 1466 and 1472, respectively.

[4] See footnote 3, p. 1416.

make it possible for the Pakistanis to bring added economic pressure to bear. He cited in some detail an instance of several years ago when there had been difficulty in getting adequate petroleum products into Afghanistan through Pakistan for the use of the Morrison–Knudsen Company, and referred to the assistance given by the United States in this matter after Ludin had taken it up with the Department.

Mr. Jernegan felt that improvement of the actual physical facilities for Afghan trade and communication with the rest of the world through Pakistan could not in fact give Pakistan more opportunity for exercising pressure than it had at present.

Ludin remarked that Afghanistan could not participate in any projects which were connected "even by so much as a thread" with the concept of bringing about a closer relationship with Pakistan since this would be seized by the Pakistanis as a sign of weakness. Ludin said that there were, after all, other places where Afghanistan could find economic assistance. But he felt certain that upon a word from us Pakistan would be willing to consider some dignified and reasonable settlement of the Pushtun question. He declared that it was of the greatest importance that answers be provided by us as completely as possible to the questions raised by Prince Naim.

Mr. Jernegan said he understood that Mr. Ludin had requested an appointment with the Secretary, and that we would try to arrange for Ludin to receive our views on Prince Naim's questions from the highest level in the Department.[5]

[5] See the memorandum of conversation by Thacher, Dec. 28, p. 1442.

689.90D/12–2554 : Telegram

The Ambassador in Afghanistan (Ward) to the Department of State

SECRET KABUL, December 25, 1954—4 p. m.

242. Deptel 186.[1] Saw Naim today and although he aware of Ludin talk with Department has not yet received full report thereof, which he will await before discussing further. He mentioned having discussed with Secretary and others (1) Afghanistan-Pakistan tension, (2) Afghanistan need economic aid and (3) Afghanistan desire military aid, but he did not mention confederation, and thereafter stated his firm conviction Afghanistan-Pakistan Pushtun impasse cannot be broken without US good offices. Confederation idea evidently not presently being considered GOA.

WARD

[1] Dated Dec. 16, p. 1437.

689.90D/12-2854

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher)

SECRET [WASHINGTON,] December 28, 1954.

Subject: U.S. Views on Military or Economic Assistance to Afghanistan and on Greater Cooperation Between Pakistan and Afghanistan

Participants: The Secretary
Mr. M. K. Ludin, Ambassador of Afghanistan
NEA—Mr. Jernegan
SOA—Mr. Thacher

Ambassador Ludin explained that Prince Naim, Foreign Minister of Afghanistan, had recently sent him a letter by special courier expressing deep concern over developments in Pakistan, particularly the Pakistan Government's declaration of its intent to create a single political unit out of the existing provinces in West Pakistan. These events had accentuated Prince Naim's desire to secure the Secretary's views on the matters raised by Naim in his discussion with the Secretary last fall. The special courier would carry to Kabul the Secretary's views.

The Secretary gave Ambassador Ludin an *Aide-Mémoire* setting out our views.[1] Referring to the paragraph in the *Aide-Mémoire*, expressing the U.S. view that a military aid agreement with Afghanistan at this particular time would create problems for it which would not be offset by the strength such aid might create, the Secretary said that at present we have to be careful that any actions we take do not tend to increase the considerable tensions already existing in Europe and Asia, and that we believe it is better to defer consideration of possible military aid for Afghanistan until a later time when conditions may be more favorable. Regarding the part of the *Aide-Mémoire* which expresses hope for better Afghan–Pakistan relations, the Secretary observed that perhaps the Pushtun question could best be settled in the context of an over-all improvement in relations with Pakistan rather than as a prelude to such improvement. The settlement of the Trieste problem, for example, was made possible by a general improvement of the relations among the countries of Southern Europe. In trying to reach a settlement of the problem of the Saar, talks at the outset had concentrated on possibilities of increased economic interchange. Thus we believe that a first step in the settlement of the Pushtun problem might lie in improvement of facilities for trade and other cooperative projects with Pakistan.

Ambassador Ludin observed that the Afghans believe U.S. military

[1] Printed below.

and economic assistance extended by the United States to Pakistan has increased Pakistan's rigidity although he had been assured by the Department that U.S. aid would not make Pakistan less conciliatory but would contribute to its willingness to settle its disagreements with its neighbors. Alluding to the Pakistan Government's intention to combine existing provinces of West Pakistan into a single unit, Ludin declared this would further deprive the Pathans of any opportunity for the autonomy they desired and that zonal federation represented a device for assuring Punjabi dominance over Bengalis, Sindhis and Pathans alike. Prince Naim has indicated Afghanistan's readiness to accept any position which the United States may allot it in the Middle East. Afghanistan would understand if the U.S. decided to leave it out of military and economic aid programs, but it was deeply anxious to preserve the "entity" of the Pushtu people on both sides of the frontier. The Afghan people wish to be able to hold on to their individuality in the future pattern of events in that part of the world. A word from the U.S. would greatly influence Pakistan. Pakistanis have abused recent Afghan approaches made in good faith.

The Secretary declared that we would be displeased if we felt our aid to Pakistan made it less reasonable in its dealings with Afghanistan and that we did not believe this was the case. We hoped our influence would encourage cooperation between the two countries. It was the Secretary's understanding that the concept of zonal federation in West Pakistan had sprung from attempts at resolution of Pakistan's other difficult internal problems rather than being directly connected with the situation of the Pathans.

Ambassador Ludin expressed his appreciation for the receipt of these views and declared that he would convey them to his government.

[Attachment]

The Department of State to the Afghan Embassy

SECRET

AIDE-MÉMOIRE

In the memorandum presented by His Highness, Prince Mohammad Na'im Khan, Foreign Minister of Afghanistan, to the Secretary of State on October 8, 1954,[2] and in conversations between the Foreign Minister and His Excellency, Mohammed Kabir Ludin, Ambassador of Afghanistan, on the one hand, and United States officials on the other, various problems relating to Afghanistan have been discussed.[3]

---

[1] Not printed; it repeated the arguments made by Foreign Minister Naim to the Secretary, as recorded in the memorandum of conversation by Thacher, Oct. 8, p. 1420.

[2] See the memoranda of conversation by Thacher, Oct. 8, Dec. 13, and Dec. 22, pp. 1421, 1435, and 1438, respectively.

It has been suggested that the United States should aid Afghanistan in the military sphere and should augment its assistance in the economic sphere. The United States' attention was invited to proposals for improving relations between Afghanistan and Pakistan. Subsequently, these problems have been given fullest consideration within the United States Government, which attaches great importance to the preservation of the ties of friendship and understanding which have characterized its relations with Afghanistan.

The United States Government has given careful consideration to the possibility of extending military assistance to Afghanistan. It has come to the conclusion that a military aid agreement at this particular time would create problems for Afghanistan which would not be offset by the strength such aid might create.

We have noted with satisfaction His Highness' observation on the importance of close and harmonious cooperation between Afghanistan and Pakistan. The United States Government shares the belief that Afghanistan can best realize its potential for progress through cooperation with Pakistan. Such cooperation would also strengthen Afghanistan's ability to resist efforts from any other quarter to render it economically subservient. We share the concern expressed in His Highness' Memorandum that Afghanistan may be vulnerable to inimical activities on the part of another neighbor, and hope that the Government of Afghanistan will take advantage of all opportunities to guard against such activities.

The United States Government has examined the Government of Afghanistan's latest suggestions concerning a possible solution of the Pushtun question in conjunction with confederation of the two countries with the same friendly interest which has characterized its attitude over the past several years. It is realized that Afghanistan believes a settlement of the Pushtun question is a necessary prerequisite to possible confederation. However, since the United States Government sees no way in which it can help to bring about a settlement of that particular question, it has considered other possible means for the improvement of Afghanistan–Pakistan relations and the strengthening of the Afghan economy, particularly the possibility of economic development projects of benefit to both countries which would by their very nature make for an increasing degree of cooperation between them. The United States might be able to assist in execution of such projects although United States participation could only be realized after extensive further study and upon the authorization of necessary funds by the United States Congress. The United States would hope that Pakistan and Afghanistan might themselves undertake in the near future joint consultation on the feasibility and practicability of such projects as sharing of electric generating facilities, improvement of communications and facilitation of trade. Such consultation might

produce concrete plans which would assist the United States in determining whether and how it might participate.

It should be emphasized that the United States Government is not a partisan of any particular settlement with Pakistan, nor is it proposing to attach political conditions to any aid it might be able to offer.

WASHINGTON, [December 28, 1954.]

689.90D/12-2854

Memorandum of Conversation, by the Officer in Charge of Pakistan–Afghanistan Affairs (Thacher)

SECRET [WASHINGTON,] December 28, 1954.

Subject: Afghanistan–Pakistan Relations

Participants: Mr. S. Amjad Ali, Ambassador of Pakistan
NEA—Mr. John D. Jernegan
SOA—Nicholas G. Thacher

Mr. Jernegan said we had been disturbed by the recent increase of Soviet activity in Afghanistan and had given a good deal of thought to what we might do about preventing Afghanistan from coming under Soviet influence. Earlier today we had explained to Ambassador Ludin some of the ideas we had been considering and handed him an *Aide-Mémoire*.[1] The Afghans have talked about the aid which the United States was giving Iran and Pakistan and have indicated that they felt rather left out. We did not believe that military aid to Afghanistan was the answer since this might well lead to a worsening of Afghanistan's relations with the Soviets with ill effects overbalancing the benefits of any arms assistance we might be able to deliver. Instead, we have suggested that perhaps Afghanistan might be strengthened economically and its ties with the outside world increased by a greater degree of economic cooperation with Pakistan. This approach would seem to provide a basis for cooperation between the two countries which might in time provide an atmosphere favorable for a settlement of the Pushtun problem. In the Saar and Trieste problems general improvement in the atmosphere surrounding the two disputes without actually concentrating on the disputes themselves had made for conditions favorable to solution. One objection seemed to be that the Afghans seemed afraid of taking any steps that would increase Pakistani capabilities to put pressure on Afghanistan through economic means. However, Mr. Jernegan said, it seemed to us that because of Afghanistan's geographic location Pakistan already had sufficient capacity to put a great deal of pressure on Afghanistan and this did not seem a valid reason for rejecting improvement of Afghan-

[1] *Supra.*

istan's trade and communications channels through Pakistan. We believe, however, that such things as provision of additional railroad cars for Afghanistan's trade, provision of a free port in Karachi or exchange of power facilities in the Warsak-Jalalabad and the Kajkai-Quetta areas would be very beneficial to both countries, and would in fact provide a real step toward cooperation between them. We had done some very tentative thinking on how we might help, though at present we had no money for such a program. Any possible U.S. aid to help in projects of such a nature would be outside the existing economic aid programs.

Ambassador Ali voiced his general approval for the type of approach Mr. Jernegan had suggested. He said that personally he had been giving the prob'em of Pakistan–Afghanistan relations a great deal of thought. He had been thinking of suggesting the possibility of giving reduced freight rates—perhaps as much as fifty per cent—to Afghan shipments through Pakistan. He thought much could be done to help the Afghans by a real effort to streamline present Pakistan customs procedures and by the other projects of the type Mr. Jernegan had mentioned. He would write a letter to General Mirza [2] (the Prime Minister being out of the country) conveying our ideas. He said he did not propose for the moment, however, to report to his government the fact that we had been discussing these possibilities with the Afghans.

---

[2] Gen. Iskandar Mirza, Minister of the Interior.

AFGHANISTAN

UNITED STATES POLICIES WITH RESPECT TO AFGHANISTAN[1]

889.2553/9–952 : Telegram

The Chargé in Afghanistan (Horner) to the Department of State[2]

SECRET NIACT KABUL, September 9, 1952—5 p. m.

125. Over past year Emb has reported evidences increasing Sov interest in Afghan. Without burdening Dept with citations particular des and tels, it may suffice to say that we have felt earlier estimates of relative Sov non-interest in this country to be in need of radical revision.

In conversation this morning with Philip Beck and Louis de Laive of UN technical assistance mission, FonMin[3] confirmed that (*a*) Sov Chargé Shpedko delivered stiff *aide-mémoire*[4] two weeks ago stating USSR wld regard GOA plans for oil drilling in north (by French firm under UN auspices) to be "unfriendly act" and specific violation of 1936 [*1931*] non-aggression treaty[5] and (*b*) Afghan Amb in Moscow Sultan Ahmad a few days ago was called in by Vishinsky[6] and given a severe tongue lashing in same gen sense. In written reply to local Sov Emb yesterday GOA asserted that planned oil developments was purely internal matter.

Ali Mohammad informed Beck and de Laive that GOA most seriously concerned over this latest Sov move, and went so far as to say that had dispute with Pak over Pashtunistan been resolved he wld

---

[1] For previous documentation, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 2004 ff. For additional documentation pertinent to U.S. relations with Afghanistan, see pp. 1057 ff. and 1365 ff.

[2] This telegram was repeated to London, Moscow, and Karachi.

[3] Ali Mohammed Khan was the Minister of Foreign Affairs.

[4] Apparently a reference to a Soviet note dated Aug. 7. An English translation of this note is included in airgram 48 to Kabul, Oct. 24, 1952. The phrase "unfriendly act" does not occur in this translation. Instead, according to the pertinent section of the translation, the USSR stated that oil exploration and exploitation in areas of Afghanistan bordering on the Soviet Union, by foreign firms and specialists belonging to the aggressive North Atlantic bloc, pursuing hostile aims with respect to the Soviet Union, might endanger the safety of the frontiers of the USSR, and might do damage to the good neighborly relations existing between the USSR and Afghanistan. The USSR then invoked the first sentence of Article 2 of the Treaty cited in footnote 5 below, and concluded by stating its expectation that Afghanistan would eliminate the abnormal condition referred to and would ensure the essential fulfillment of the conditions of the Treaty. (889.2553/10–2452)

[5] For text of the Treaty of Neutrality and Non-Aggression between Afghanistan and the Union of Soviet Socialist Republics, signed at Kabul on June 24, 1931, see League of Nations Treaty Series, vol. CLVII, p. 371.

[6] Andrey Yanuarevich Vishinsky, Soviet Foreign Minister.

have declined to accept Shpedko's note. While indicating that for time being GOA intends to suspend any fresh UN activities in north Afghan (an important hydrological project also is in course of being implemented) he recognized that Sov *démarche* regarding oil had much broader implications. GOA was on horns of dilemma. In his own recent trip throughout north he had clearly understood there was widespread resentment over fact that large sums of money were being spent in developing Helmand Valley whereas nothing whatsoever had been done in north. As polit realist, he knew country wld simply fall apart unless econ assistance was accorded north which is only economically viable part of country in modern sense and harbor bulk of natural resources. On other hand if GOA goes ahead with plans to develop north, it risks an intensified Sov propaganda campaign designed to separate this strategic area, inhabited largely by Turkish peoples and their incorporation into USSR. A third course wld be to accept "repeated" Sov offers technical assistance in north, but this wld be tantamount to relinquishing this area to USSR.

Ali Mohammad reiterated that at this stage settlement of the quarrel with Pak is absolutely essential. However GOA cld not accept recent suggestion UK Amb Ligeman that matter be left in abeyance for few years. Present regime inevitably will be overthrown if it cannot reach face-saving settlement since it is already deeply committed. A greater danger for entire area is fact that Pashtun tribesmen are interested in nothing except "money and rifles". If Sovs decide to proceed energetically with program of subversion they wld find "irreligious" tribesmen ready tools.

FonMin has given Beck permission to communicate tenor his conversation to UK Amb and myself. At same time, he indicated that we wld soon be called in to discuss both this new Sov threat and possibly future means of procedure.

Since any advice we may give (and it is hard to conceive of our being able to take completely negative position) depends upon evaluation of over all Sov intentions, it will be useful to have Dept's view as well as those of Emb Moscow. On face of it, it is somewhat difficult to imagine that at this particular time the Kremlin wld take any overt steps against Afghan, especially since any such move wld serve to cancel out Sov gains in ME generally and perhaps in India, Pak and Iran especially. This argument seems all the more cogent if it is true, as we have assumed that Afghan in itself does not constitute a primary Sov target. On other hand there seems to me to be strong likelihood that if GOA goes ahead with development in the north (and the alternative is to abandon that area) Sovs are quite capable of whipping up campaign of propaganda and subversive activities possibly under slogan of reunification oppressed Tadjik Usbek and kindred brothers in "free" republic of Sov central Asia. At same time Hyrat province

cld be rewarded to a quiescent Iran. With its corrupt and inefficient govt, weak econ and inefficient milit establishment, and above all owing to the discontent that prevails among the Afghan populace generally it is hard for me to see how this govt cld withstand determined Sov pressure aimed at exploitation of egocentric tendencies.

It is very encouraging that Ali Mohammad referred at some length to pressing need for settlement with Pak. It may be that Sov pressure and Afghan apprehensions as regards her northern frontier may afford a mental climate in Afghan which will be more favorable to real settlement with Pak than at any time in past or possibly any time in future. As minimum possibility I shall continue to suggest that GOA reciprocate the appointment of an Amb to Pak. However it seems that present opportunity shld be used to make another real effort at settlement of Pashtunistan problem. Some workable and face-saving compromise, if combined with assurances of Pak moral or milit support to Afghan against direct Sov aggression or subversion wld have far better chance of settling problem at present time than in past. It appears that if agreement can be reached at all it can be reached speedily under present circumstances. Among various possibilities we might suggest the setting up of a joint Afghan-Pak Comm on welfare of Pashtun tribes, or perhaps a system of intergovt consultations on question or policy regarding tribes within two countries. In either case chance for success wld be greatly increased if US cld offer real fin assistance to any binational body for econ developments, and even further to provide additional inducements separately to Afghan in the shape of econ development funds aside from Export-Import Bank loan or Point IV. If GOP is willing to take advantage this moment to meet Afghan aspirations settlement of Pashtunistan question and vastly increased security for Pak itself is possible.

HORNER

889.2553/9–952 : Telegram

The Chargé in Afghanistan (Horner) to the Department of State [1]

SECRET KABUL, September 9, 1952—9 p.m.

126. Ref Embtel 125 [2] rptd info Karachi 19, London 19, Moscow 1 Sept 9.

I have just been [called?] to MFA by First Under Secty [3] and filled in on matters discussed reftel. Aziz explained that FonMin, being in Cabinet mtg, unable see me right away but wanted US to have info soonest.

---

[1] This telegram was repeated for information to London, Karachi, and Moscow.
[2] *Supra.*
[3] Abdul Hamid Khan Aziz.

Aziz said Sov *aide-mémoire* most serious incident in country's recent history. When it was first received, GOA inclined to think it might be "lapin", but subsequent soundings convinced govt Sovs were in dead earnest. Small comite consisting of King, PriMin, FonMin and himself had considered question and had sent firm rebuttal yesterday. However, there was still future course of action to be decided, and this was still under consideration.

Aziz, who was quite emotional, said that for years he has been trying to convince responsible officials in the Dept that Afghan shld not be allowed to "stew in its own juice". He felt present danger to this country every bit as great as threat to Iran and potentially even greater since, unlike Iran, all natural resources of Afghanistan in north. If Sovs have been rather quiescent up until now, that was only because they had no suitable pretext for interfering. What was Afghan to do? The peoples of the north cld not be left in the "stone age," seeing but not sharing in the econ progress of their kith and kin across the Amu Daria. It wld be unthinkable for the GOA to accept Sov proffers of technical assistance, since that wld mean Sov assumption of control.

Concluding, Aziz asked me to impress upon Dept extreme gravity with which GOA views this new development (which he had expected sooner or later to come). Afghan considered US her really true friend and counts on us to help Afghan take her place among free and democratic nations of the world. *Comment:* GOA apparently did not approach us until after reaching decision to rebuff Sov *démarche* because it did not want us to think we were being blackmailed into position of support. Even now we are asked for nothing other than "Moral Support" (apparently implying greater econ assistance). It is significant, however, that Foreign Minister told Beck that GOA had been moving in direction "Atlantic Powers" and Sov move wld accelerate this trend.

HORNER

889.2553/9–1052: Telegram

The Secretary of State to the Embassy in Afghanistan[1]

SECRET PRIORITY WASHINGTON, September 12, 1952—7:05 p. m.

82. Embtels 125,[2] 126,[3] 127.[4] Dept does not feel Sov *démarche* (Embtel 125) is precursor of any immediate Sov threat Afghan. Dept feels ur evaluation Sov intentions sound. Sov *démarche* may be first step in Sov campaign to prevent entry Westerners north of Hindu Kush in line with long standing Sov policy and to endeavor

---

[1] This telegram was drafted in SOA and repeated for information to London, Moscow, and Karachi.
[2] Dated Sept. 9, p. 1447.
[3] *Supra.*
[4] Not printed.

prevent economic improvement amongst peoples who are potentially exploitable by Sovs on ethnic grounds. Sovs may believe that in view their strengthened position in Asia generally and deteriorating conditions Iran, it is opportune commence greater pressure on Afghan.

Dept appreciates and sympathizes with Afghan grave concern at this latest Sov attempt to interfere in Afghan internal affairs and at the internal dilemma re econ development in north as explained urtel 125 and perceives possibility taking advantage situation to seek solution Pushtoonistan issue. However, Dept has discussed Sov protest to Afghan and situation developing therefrom with Brit Emb and finds certain points require clarification. Dept notes that although FonMin told Beck and de Laive Sep 9 (Embtel 125 Sep 9) GOA reconsidering Pushtoon position and recognizes settlement now essential, Deputy FonMin Aziz apparently made no reference to Pushtoon in his conversation with Chargé Sep 9 (Embtel 126). Dept has also noted that although Aziz spoke to US Chargé apparently Ministry Fon Affairs has not yet approached Brit. Does Emb believe Min Fon Affairs still plans to formally apprise US and UK of situation and request US–UK views on Sov threat and advice on possible future means procedure, or does Aziz conversation constitute unilateral GOA approach and request to US for advice and moral support? Initiative re concrete steps to settle Pushtoon issue appears to lie with GOA. Dept wld appreciate Embs evaluation of whether or not GOA serious about modifying Pushtoon position. Until clarification above Dept prefers not suggest possible means of settling dispute unless it clear GOA has serious intention of resolving issue, has indicated its tentative plans procedure, and has requested US advice re possible procedures.

ACHESON

889.2553/9–1652 : Telegram

The Chargé in Afghanistan (Horner) to the Department of State[1]

SECRET KABUL, September 16, 1952—1 p. m.

137. Ref Deptel 82, Sept 12.[2] I called on FonMin this morning to obtain clarification of points raised in ref tel. Ali Mohammad made it clear GOA was seeking joint advice and support of UK and US. Before UK Amb left Kabul last week on trip, he had been given an informal fill in, and Ali Mohammad intended to talk with him again as soon as he returns. In this regard, Ali Mohammad pointed out that Sov *démarche* on oil had directed accusations against "North Atlantic bloc."

---

[1] This telegram was repeated for information to London, Karachi, Moscow, and Paris.

[2] *Supra.*

FonMin then proceeded to stress gravity with which GOA regards position. He did not believe the Brit were fully aware of implications, and in past he had made unsuccessful attempts to convey to Ambs Palmer and Dreyfus [3] potentialities inherent in common border with USSR.

Ali Mohammad also referred at some length to extremely weak milit position this country. In approaching us last autumn for milit aid (Embdes 100, Sept 6, 1951 [4]) GOA had in mind danger Sov subversion. If Afghan had two additional divisions equipped with modern arms, it wld send these to the north immed. Obviously Afghan army cld not attempt to hold back Red Army thrust which he considered unlikely, but it should be in a position to put down any internal uprisings financed or aided by Soviets.

FonMin said that in seeking US–UK advice on what next to do, GOA had in mind clarifying its general east-west policy. For considerable time Soviets have been complaining of GOA partiality toward West. They have pointed to activities USIS library and contrasted it with situation they are in of having to channel all pubs distributed through MFA. Shpedko has claimed that while Afghan officials freely visit with Amers, Sov dipls are under constant surveillance.

I had impression that Ali Mohammad is deeply disturbed over continued existence bad relations with Pak, but has no very concrete ideas of how the Pashtun issue can be solved. He did not make a direct reply to my question whether GOA prepared to recede from position that separate state of Pashtunistan shld be created, but he gave impression something in nature of cultural autonomy wld be acceptable. He said that if issue were simply shelved this wld be playing hands Sovs who cld exploit nationalism of Afghan youth and purchase support of tribesmen. In brief, GOA was seeking way out of dangerous position and sought our advice.

HORNER

[3] Ely Eliot Palmer was U.S. Chief of Mission in Afghanistan from December 1945 to November 1948. Louis G. Dreyfus, Jr., was Ambassador in Afghanistan from August 1949 to January 1951.

[4] Not printed.

661.89/9–2352 : Telegram

The Chargé in Afghanistan (Horner) to the Department of State [1]

SECRET KABUL, September 23, 1952—11 a. m.

147. Re Delhi desp 368 [*686*], Sept 6th [2] and Embtel 146 [3] to Dept rptd info Karachi 27, London 28, Moscow 5.

[1] This telegram was repeated for information to Karachi and London; Department passed Moscow.

[2] *Ante*, p. 1368.

[3] Dated Sept. 23, not printed, but see footnote 2, *infra*.

Emb feels US shld develop more powerful counterweight than moral support to Sov pressure on GOA. Present GOA fears center on econ results possible abrogation Sov barter agreement and politico mil potentialities Sov subversion in north. Probable that gas shortage resulting from cut-off Sov trade wld very seriously cripple north area, and glut of unwanted raw cotton along with immed shortage cotton cloth cld bring about grave situation even without Sov subversion.

Main limiting factor in internal economy is poor north-south communications. Sufficient gas and cotton cloth for north available from Pak side but present condition roads and transport across Hindu Kush [would limit?] flow to mere trickle. Recent drouth in north and resulting discontent and unrest wld sharpen effects of Sov action.

Afganistan Press announced GOA plans float first internal loan Afghanistan history to pay for roads program. Afghanistan anxiety (particularly on part of King) to construct modern road to north already well-known to Emb and Dept.

Emb requests serious consideration be given US dollar contribution matching GOA funds for improvement and construction highways including suitable north-south road, and dollar loan to govt monopoly or private Shirkat for setting up modern motor transport maintenance and repair depots on road and purchase suitable trucking units. Cost of US contribution highway project wld be about $5,000,000 equip project about $1,000,000. Resistance potential to Sov econ and subversive pressures wld be further strengthened by establishment agricultural development bank at cost of $500,000 to US.

Projects cld fall under heading TCA general econ aid or even, in view north oil possibilities, basic materials development. Proposals for roads development and agricultural bank are key points in US–UN working paper of Jan 26,[4] which has been accepted by GOA as basis econ development planning.

Further projects which cld supplement above wld include Kabul-Kandahar Road and assistance to Af Air Force towards purchase of and facilities for medium transport aircraft which wld provide regular govt air service to north and at same time greatly strengthen govt mil strength as against subversion and tribal uprising without giving justifiable cause for alarm to either Pak or Soviets.

Emb realizes consideration these measures can be justified only on basis revised high level estimates US policy toward Afghan. Emb believes implementation, or, to lesser extent, announcements assistance outlined above wld:

1) Strengthen Af will resist Sov pressure;
2) Provide additional incentive toward development of north;

[4] Reference is to the Joint Working Paper on Technical Assistance to Afghanistan prepared by the United Nations Technical Assistance Mission and the American Embassy, Kabul (enclosure 1 of despatch 242, Jan. 14, 1952 from Kabul; 889.00 TA/1–1452).

3) Provide effective means over-all econ-strengthening Afghan;
4) Reduce possibility successful Sov econ pressure on North Afghan;
5) Increase GOA potentiality combat subversion and subversive rebellion in north;
6) Afford no cause for alarm in Pak;
7) As long as Sov pressure is applied, or probably even without such pressure, net effect of projects wld make GOA, in pure self-interest, more amenable to settlement dispute with Pak which wld be even more important as route exports and imports.

Emb feels existence proposed facilities wld not to any appreciable extent facilitate Sov overt [garble] against Afghan, Pak or Iran and wld assist in preserving what might be invaluable base for covert action against Soviets in time of war.

Understand Brit Emb Kabul has suggested inclusion Afghan in Colombo plan.[5]

HORNER

[5] See footnote 2, p. 1437.

661.89/9–2352: Telegram

The Secretary of State to the Embassy in Afghanistan[1]

SECRET WASHINGTON, September 29, 1952—6:26 p. m.

112. In Dept opinion Sov *démarche* when considered in historical perspective does not pose any substantially new polit problem for GOA, though seriousness over-all problems econ development and internal admin northern provinces in context Afghan-USSR relations fully appreciated. *Démarche* need not discourage continuation econ development North Afghan which has proceeded for several years with and without UN auspices; and it may have salutary effect on Afghan-Pak relations. Dept inclined believe that aside from desire for friendly advice from US and UK, GOA may well be capitalizing on *démarche* in attempt to achieve (1) increased econ asst (2) mil asst and (3) US–UK pressure on GOP to negot Pushtoonistan agreement with GOA, thereby hoping minimize concessions GOA may otherwise have to make.

GOA is understandably nervous over *démarche* but Dept finds it difficult to determine precise kind support US can usefully offer. Dept does not see how large scale US econ and mil aid program of which north wld be substantial beneficiary (urtel 147 Sep 23) can be solution to polit problem in Afghan-USSR relations when fon aid is very pt of sensitivity in those relations. Afghan reflected appreciation this basic situation in decision few years ago to restrict outside aid in

[1] This telegram was drafted in SOA; approved for transmission by Byroade; and repeated for information to London, Karachi, Moscow, Paris, and New Delhi.

North Afghan to UN. This is third choice referred para 2 urtel 146 [2] and in Dept's opinion still remains most practical course to follow.

Dept cannot wholly accept FonMins black and white description of Afghan dilemma (Embtel 125 [3]) re econ development in North Afghan. First, Dept considers statement "country wld fall apart unless econ asst is accorded north" an exaggeration. Second, it is certainly inaccurate to assert "nothing whatsoever has been done in north." Textile mill of Pul-i-Khumli, beet sugar refinery of Baghlan and cotton ginning facilities of Kunduz region alone belie that statement. Even if oil project abandoned, which is by no means backbone of development program in Afghan, various fields econ development can be pursued which can be of demonstrable benefit to inhabitants within relatively short space time and which wld be less provocative to USSR. This seems to be line of action best suited to circumstances.

Dept agrees with Emb that atmosphere may be more favorable for improvement in Afghan-Pak relations which is certainly of priority importance. In this connection dept notes with interest Najibullah's talk to Emb Delhi officer (Delhi desp 686 Sep 6 [4]). Pts 2, 3, 6 are recital of what USReps have been telling GOA for past few years. Essential to recall GOA avowedly concluded barter agreement with USSR in 1950 primarily because of difficulties arising from Pushtoonistan dispute. Fact is that Afghan can get gas and cloth in subcontinent if Sov barter agreement abrogated, though transportation problems admittedly great. It seems clear Afghans are not sufficiently worried over supply problem and relations with USSR in general even to take minimum step of reciprocating Pak's move by sending Amb to Karachi. Hence does not follow that greater econ aid to Afghan wld make it more amenable to settle dispute. On contrary good case can be made that it wld be less amenable.

Parenthetically it is interesting to note (Embtel 125 para 4) FonMins time-worn assertion that regime "inevitably" will be overthrown if face saving Pushtoon settlement not achieved, while on other hand he characterized tribesmen as "irreligious" and interested in nothing but "money and rifles." This patent inconsistency may be pointed out if this line presented to Emb officers.

By way of advice to GOA Dept desires that you (1) tell FonMin US applauds GOA rejection Sov protest which is only position hon sov-

---

[2] The second paragraph of this telegram, dated Sept. 23, reads as follows: "As Emb has already indicated, GOA plans exploit oil represent only initial phase gen econ plans for development north Afghan. By same token, Sov *démarche* is aimed at total effort block any econ progress in north, leaving that area a ripe plum to be plucked at leisure. Essentially, when [*what*?] GAO is being confronted with [is?] choice of three alternatives: (1) to cease from any effort develop north; (2) to accept Sov proffers of tech and other assistance in the development of north; and (3) to take the calculated risk of a strong Sov reaction and proceed with econ development plans under UN aegis." (661.89/9–2352)

[3] Dated Sept. 9, p. 1447.

[4] *Ante*, p. 1568.

ereign state cld take; (2) express hope that regardless final decision re oil exploitation, which is decision for GOA to take, other types econ development in north proceed as usual not only for their intrinsic econ and polit advantage but also to avoid appearance capitulation to USSR; (3) reaffirm contd US interest and efforts to help Afghan with econ development; (4) reiterate US govt earnestly hopes GOA will make effort to settle its outstanding issues with GOP. Such settlement wld not only strengthen GOA position vis-à-vis USSR and therefore be in mutual security interest but wld also make for improvement in Afghan-subcontinent trade relations. Latter factor in particular shld have consequence of placing Afghan in better position to more successfully absorb econ asst, a condition of significance to US executive agencies and Congress in studying development problems. You may say GOA desire settle Pushtoon wld be demonstrable by reciprocating GOP gesture good will by sending Amb to Karachi and toning down anti-Pak propaganda. Both steps shld have immed salutary effect on Afghan-Pak relations and provide basis for settlement outstanding issues without loss of face to tribesmen or Afghan people in general.

ACHESON

611.89/10–252 : Telegram

The Chargé in Afghanistan (Horner) to the Department of State [1]

SECRET NIACT KABUL, October 2, 1952—5 p. m.

176. Ref Deptel 112, Sept 29. I feel that Dept seriously underestimates present and future potentialities Sov pressure on this country, and utterly neglects regional aspects. Further, no account seems to have been taken of Afghan psychology or existence of important elements here willing to come to terms with Sovs.

During past five or so years, western (and especially US) prestige here has been mounting fairly steadily. Effects of delivering message along lines reftel almost certainly will be (*a*) to cause consternation among our numerous and influential friends within and without govt, (*b*) to give aid and comfort to those who seek an accommodation with Sovs, (*c*) to cause Afghans of all persuasions to think that we regard this country of negligible importance to our effort to stem flood of Sov aggression.

I am even more disturbed over possible consequences of implementing Dept's instructions by recent information coming to attention UK Amb and myself that Cabinet coming around to view that accommodation with Sovs must be sought at almost any cost. According Mines Min, both PriMin [2] and FonMin now of opinion that Sovs mean busi-

---

[1] This telegram was repeated for information to Karachi, London, New Delhi, Paris, and Moscow.

[2] Shah Mahmud Ghazi.

ness and that development of north must proceed along lines agreeable to USSR. If this is true, it seems to me we shld act promptly and positively and not wait until enemy is already within gates.

Emb comment on specific points follows:

(1) "*Démarche* need not—UN auspices" unless GOA shows unsuspected spirit standing alone, realistic UN aid will not be possible in view improbability using NATO and other western technicians. Noteworthy that all econ development in north so far has been by Bank Milli, and that overall exchange resources (largely derived from north) now must be earmarked support Helmand commitment.

(2) "GOA may well be capitalizing on *démarche*" only natural that such condition may be present, but Afghans have requested only econ and moral support, and stiff reply to Sov note was sent without consulting us thereby throwing away useful bargaining counter for US aid.

(3) "Dept does not see—point of sensitivity in these relations" modest econ program outlined Embtel 147, Sept 23 designed primarily allow Afghans fighting chance withstand Sov econ and subversive pressure. If Dept does not envisage with favor an Afghan firmly withstanding all Sov attempts at interference [economic?] development, will not also object to any other development using fon technicians?

(5) "Transportation problems admittedly great" even if transport problem cld be solved in next few years without extensive fon aid (inconceivable to Emb), price of northern cotton wld decline and prices petrol, textiles and other imports wld rise, thereby increasing discontent and subversion potential.

(6) "It seems clear—less amenable" obviously proposed US aid wld be conditioned on substantial Af steps toward reasonable settlement Pashtun dispute. US positive pressure on Pak at same time cld well result in acceptable solution. See Emb desp 41, Sept 13, 1952.[3]

(7) "Parenthetically—money and rifles" Emb thus long believed (Emb desp 131, Oct 12, 1951[4]) that while tribes not likely rise on Pushtoonistan issue against GOA or GOP, nevertheless complete retreat by GOA from its admittedly unreasonable stand on this issue wld represent dangerous loss prestige to Kabul Govt. FonMin's remark on nature tribes designed emphasize danger Sov meddling in tribal areas.

(8) First point proposed remarks to GOA in reftel wld appear to GOA as pious platitude. Second point means that US, upon request, will not advise GOA to reject Sov interference in purely domestic affair. To Afghans, remarks on other types development will be limited to those projects to which Sovs might not object. Presumably Sov objections to other types development wld again be "decision for Af Govt to take". Third point meaningless to GOA in present position unless accompanied by concrete offers. Fourth point wld have no weight whatsoever in view contents second point. Statement regarding improvement Pak trade relations wld be taken by GOA as confirming GOA accusations deliberate Pak econ blockade. Ref to US agencies might be taken as offer increase Point Four assistance, if Pashtun dispute settled. Does Dept mean to hold out such promise?

---

[3] Not printed.

[4] This 16-page despatch, not printed, contains a summary of the Pushtunistan question for the period 1950–1951. (689.90D/10–1251)

In view my firm conviction that delivery reftel observations wld be serious blow to US policy objectives in this area, I request specific instruction deliver reftel views and wish record that I cannot take responsibility for consequences.

Brit Amb telegraphing FonOff along similar lines.

HORNER

661.89/10–1052

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Under Secretary of State (Bruce) [1]

SECRET [WASHINGTON,] October 10, 1952.

Subject: Soviet *Démarche* to Afghanistan.

Discussion:

About August 23 the Soviet Foreign Minister protested to the Afghan Ambassador against economic development in northern Afghanistan under UN auspices.

About August 27 [2] the Soviet Chargé at Kabul delivered an *aide-mémoire* to the Afghan Government stating that the USSR would regard Afghanistan's plans for oil drilling in the north with specialists from countries which are members of the Atlantic Pact as contrary to the Afghan-Soviet non-aggression treaty of 1926 [*1931*]. At the time of this *démarche* Afghanistan was on the verge of signing an oil drilling contract with a French firm as part of a UN project.

According to a recent Afghan press release, on September 9 the Afghan Government, in a written reply to the Soviet Embassy rejecting its *démarche*, said in effect, that economic development, whether in the north or any other part of the country, does not create danger for any neighboring country of Afghanistan. The exact texts of the *démarche* and the Afghan reply are not known to the Department.

On September 10 the Afghan Foreign Minister informed UN officials in Kabul of the foregoing developments and indicated that consideration of fresh UN activity in the north, including oil exploration, would be suspended. On the same day the First Under-Secretary of the Foreign Office gave our Embassy its first official notification of the exchange of notes between Afghanistan and USSR, and asked our Chargé to impress upon the Department the "extreme gravity" with which the Afghan Government views the development. In commenting on this conversation our Chargé said that the Department is being asked for "moral support." [3] The Chargé has interpreted this to imply

---

[1] Memorandum drafted in SOA.

[2] See footnote 4, p. 1447.

[3] See telegram 126 from Kabul, Sept. 9, p. 1449.

greater economic assistance. The Department requested the Chargé at Kabul for clarification of the request for moral support,[4] asking whether the Embassy believed that the Foreign Minister planned formally to apprise the US and UK of the situation and request their views.

Upon receipt of that telegram our Chargé called upon the Foreign Minister who said that he was seeking "joint advice and support of the UK and US." [5] In the course of this conversation the Foreign Minister said that he had had some after-dinner conversation about the *démarche* with the UK Ambassador before the latter's departure on an extended field trip. The Department subsequently learned that the conversation with the British Ambassador was held on August 30, 10 days before Afghanistan's reply to the *démarche* and 17 days before our Embassy finally learned that the Afghans wanted our advice and support. At no time during these conversations with our Chargé has any Afghan official requested anything more.

To this date the Afghan Embassy in Washington has not discussed any aspect of the *démarche* with the Department. Moreover, it is of more than passing interest that as early as August 31 (again, 10 days before our Embassy in Kabul was officially informed) the Afghan Ambassador in Delhi [6] called one of our Embassy's officers to his residence for a two-hour conversation, part of which the Ambassador specifically described as that which he had been authorized to say. The burden of that part of the conversation was that since the economic and political life of Afghanistan is being "crushed" between the millstones of Pakistan and Soviet pressure, to which the Afghans would never yield, the time seemed ripe for an over-all *rapprochement* with Pakistan. He hoped that the US would help in getting the two countries together in talks to that end.

This was a completely new line from the Afghan Ambassador who heretofore had been the most vocal supporter of "Pushtoonistan," an Afghan-proposed country of Pushtu-speaking peoples of both Afghanistan and Pakistan. This issue has poisoned the relations between the two countries for the past five years.

Recommendations of our Chargé at Kabul:

The substance of our Chargé's recommendation is that the US come forth with a "positive program of advice, coupled with additional means of economic assistance." Suggested means of assistance include, among other things, dollar contribution to a north-south highway, a road and motor transport maintenance depot and an agricultural

[4] See telegram 82 to Kabul, Sept. 12, p. 1450.
[5] See telegram 137 from Kabul, Sept. 16, p. 1451.
[6] Najibullah Khan.

development bank. (Total outlay to US for these projects: $6½ million; NEA plans now to ask for $1½ million for the 1954 fiscal year TCA program.)

Our Chargé asserts that the Soviet *démarche* is aimed at a "total effort to block any economic progress in the north, leaving that area a ripe plum to be plucked at leisure." He argues that if we do not come forth with positive advice and material support, we would encourage those elements both within and without the regime "who are already calculating the economic and other advantages of Soviet connection."

He goes on to say that "with a lamentably weak government torn into opposing factions, the chances that power may fall into the hands of those who will weigh honeyed Soviet promises of aid with the relatively negligible assistance received to date from UN and ourselves should not be underestimated. An early showdown, stimulated by economic distress and Soviet instigation, may be sufficient to topple present regime. In short, Afghanistan seems to be facing an imminent crisis which will determine for all time whether it leans towards the west or becomes a Soviet satellite."[1]

The Department's position:

The Department has no evidence to support the extreme position of our Chargé on the danger of Afghanistan's falling into the Soviet camp. There is no Communist party in Afghanistan, and in the Department's knowledge there are no organizations or leaders who are presently capable or desirous of delivering the country to the Soviet Union. The elements referred to by our Chargé who are already calculating the advantages of Soviet connection are: 1) one or two leading Royal family personalities who are at present inactive politically; 2) some so-called liberal opposition leaders who are at present in jail and who were never organized; and 3) certain ethnic minority north Afghans who, because of their cultural affinity to their neighbors in Russia, are said to be potentially exploitable and who are usually at odds with the central government largely because of maladministration in the area. The Embassy has furnished no evidence that any one of these groups constitutes any more than a potentially long-range danger to the internal stability of the country.

The usefulness of increased economic assistance of the character suggested by our Chargé is acknowledged, but a suddenly stepped-up aid program, a substantial part of which would go to the north, would not appear to be the solution to Afghan-USSR political relations when foreign aid is the very point of sensitivity in those relations. Furthermore, it would be virtually impossible to obtain funds from present ap-

[1] All the quotations in this and the preceding paragraph are from telegram 146 from Kabul, Sept. 23, not printed, but see footnote 2, p. 1455.

propriated moneys for economic assistance along the lines suggested by our Chargé.

We do not believe that the Afghan Government intends to permit the Soviet *démarche* to stop economic development in north Afghanistan. Activity in that area has proceeded for some years with and without UN auspices, and there are several fields of development which could be pursued with demonstrable advantage to the inhabitants and which should not be provocative to the USSR.

The Afghan Government plans within a few weeks to submit a loan application to the Export-Import Bank for $20 million.[8] The Department expects to lend sympathetic support and the Exim Bank is favorably disposed toward an internal development loan. Should the loan be made, the proceeds from that source together with the 1954 fiscal year TCA aid program will furnish all the funds which the Afghan Government can usefully employ for development for some time to come.

In view of the Afghans' previous complaints about insufficient aid we cannot help but think that aside from the desire for friendly advice from the US and UK, the Afghan Government may well be capitalizing on the *démarche* in an attempt to achieve (1) increased economic assistance, (2) military assistance, and (3) US–UK pressure on the Pakistan Government to negotiate the Pushtoonistan issue with Afghanistan.

All the officials to whom our Chargé has talked subsequent to the *démarche* have said that a *rapprochement* with Pakistan would be desirable. Yet, though Pakistan has sent an Ambassador to Afghanistan,[9] the latter has not reciprocated. The Afghans' desire to settle the Pushtoonistan question would be demonstrable by sending an envoy to Karachi and by toning down anti-Pakistan propaganda. Both steps should have an immediate salutary effect on Afghan-Pakistan relations and provide a basis for the settlement of outstanding issues.

Recommendation:

It is recommended that you sign the attached telegram to Kabul,[10] confirming the Department's instructions to our Chargé and explaining further the reasoning behind the Department's decision.

---

[8] On Nov. 23, 1949, the Export-Import Bank had authorized a credit to the Royal Government of Afghanistan of $21,000,000 for U.S. equipment, materials, and service for the construction of a dam and canal in the Helmand River Valley. The principal U.S. contractor for this project was the construction firm, Morrison-Knudsen Afghanistan (MKA).

[9] Col. A. S. B. Shah.

[10] *Infra.*

The following concur in substance: E, TCA, and Export-Import Bank.

661.89/10–252: Telegram

The Secretary of State to the Embassy in Afghanistan[1]

SECRET WASHINGTON, October 11, 1952—2: 20 p. m.

141. Your comments have been considered most carefully and sympathetically (Embtel 176 Oct 2). In addition considerations reflected Deptel 112 Sept 29 fol factors have been considered in formulating statement advice and support to GOA:

1) It wld be virtually impossible obtain funds from present appropriated moneys for increased econ assistance along lines urtel 147 Sept 23;
2) Dept unable say in advance what size Afghan 1954 TCA program will be. Unlikely that exec branch submission to Cong will exceed presently projected figure $1½ million;
3) As you know GOA plans within few weeks submit loan application to Exim Bank for $20 million to carry forward program internal development now near completion under $21 million loan of 1949. Dept cannot make prior commitment Exim Bank but will lend its own sympathetic support as it has in past to GOA application.

Therefore you shld make oral statement to FonMin closely along lines fol text which gives our moral support to Afghan but does not preclude further action which may become desirable in light developments and your future recommendations:

1) tell FonMin US applauds GOA rejection Sov protest which is in Afghan tradition of firmly resisting fon interference in Afghan internal affairs;
2) express hope that Afghan will continue econ development in north as before, not only for intrinsic econ and polit advantage but also to avoid appearance capitulation to USSR—appearance of capitulation inevitably wld lead to further Sov attempts at interference in Afghan internal affairs;
3) reaffirm contd US interest in Afghan econ development and cite work done by private interests and TCA as well as benefits from 1949 Exim Bank loan and Dept's sympathy proposed application new loan;
4) reiterate US Govt earnestly hopes GOA in its own interest and interest regional stability will make effort settle outstanding disputes

---

[1] This telegram was repeated for information to Karachi, London, New Delhi, Paris, and Moscow; drafted in SOA; and cleared in draft with OFD, ED, TCA, and the Export-Import Bank. The message was approved by both Byroade and Bruce.

with GOP—such effort cld begin with sending Amb to Karachi and reducing anti-Pak propaganda.[2]

ACHESON

[2] The Mission delayed conveying the message contained in this telegram to the Afghan Government until after Ambassador Angus Ward presented his credentials to King Mohammed Zahir Shah on Nov. 8. In telegram 266 to Washington, Nov. 13, Ward stated that he had made the statement specified in telegram 141 to the Foreign Minister on Nov. 12, and that Ali Mohammed Khan had replied that economic development of Trans-Hindu Kush would continue as vigorously as physical and financial circumstances permitted, but that early renewal of petroleum exploration was not contemplated. However, in the same telegram Ambassador Ward reported on a conversation held with the Prime Minister on the morning of Nov. 13. "He stated petroleum explorations suspended 'for these days only' and will be resumed shortly because urgent need country bolster its earning power." (689.00/11–1352) For full text of telegram 266, see p. 1381.

Editorial Note

On October 24, Ambassador Sardar Mohammed Naim discussed with Bruce the Pushtunistan question and other issues in the light of the recent Soviet *démarche*. The memorandum of this conversation is printed on page 1376.

On October 29, a conversation on similar subjects took place in New York between the Secretary, Ambassador Naim, and Mohammed Kabir Ludin, Afghan Representative at the United Nations. For the memorandum of this conversation, see page 1378.

689.00/12–1652 : Telegram

The Ambassador in Afghanistan (Ward) to the Department of State

SECRET KABUL, December 16, 1952—3 p. m.

350. Ref second para Embtel 266 November 10 [*13*].[1] FonMin today stated orally oil exploration in Trans Hindu Kush will not be resumed until matter has been discussed and approved by new Parliament in March or April. GOA will recommend resumption operations but undecided whether exploration shld be conducted by French or "some others, not Russians."

De Laive, Dutch petroleum exp'oration expert with UNTAM, has been standing by awaiting resumption exploration but is now about depart for Europe and thence UN New York. De Laive alleges no early expectation resumption oil exploration. He states GOA has requested departure be as inconspicuous as practicable and that he give out departure not permanent but travel incidental to consultation.

WARD

[1] *Ante*, p. 1381.

Secretary's Memoranda of Conversation, lot 53 D 444

Memorandum of Telephone Conversation, by the Secretary of State [1]

CONFIDENTIAL [WASHINGTON,] December 24, 1952.

Participants: Mr. Tannenwald [2]
Mr. Acheson

I telephoned Mr. Tannenwald and reported the substance of my conversation with Mr. Lawton and Mr. Foster.[3]

I then said that I wanted to speak about another matter which was the Afghanistan request for wheat.[4] I said I had been over David Bruce's letter of December 17.[5] I thought it was a good letter and I hoped that Mr. Harriman would see his way clear to going ahead with the proposal. The Communist *démarche* on oil in the north had been the most serious in recent years. It had brought a stop to all activity in the north. I felt strongly that now they had asked us for the wheat, we should get along with it. Mr. Tannenwald said that Mr. Harriman had wanted Mr. Bruce's and Mr. Acheson's personal judgment on the matter and had been particularly concerned whether the foreign aid law [6] covered this request. Mr. Tannenwald assured me that Mr. Harriman would take the matter up with the Pentagon and try to get the money.[7]

D[EAN] A[CHESON]

---

[1] Memorandum drafted by Barbara Evans of the Executive Secretariat.

[2] Theodore Tannenwald, Jr., Assistant Director and Chief of Staff in the Office of the Director for Mutual Security.

[3] Frederick J. Lawton, Director of the Bureau of the Budget, and John C. Foster, Deputy Secretary of Defense. Memorandum of this conversation has not been found in Department of State files.

[4] In telegram 254 from Kabul, Nov. 5, the Embassy had reported an informal request from the Government of Afghanistan that it explore in confidence the possibility of U.S. assistance in meeting a shortage of wheat grains estimated by the GOA at about 10,000 tons. (889.2311/11–552) Subsequent documents in file 889.2311 for 1952 indicate that the Embassy was able to verify the existence of the shortage.

[5] Letter from Bruce as Acting Secretary to W. Averell Harriman, Director of Mutual Security, not found in Department of State files. In telegram 254 to Kabul, Dec. 20, the Department informed the Embassy that the letter requested Harriman to support a long-term low interest loan of $1,500,000 to Afghanistan to assist in its procurement of 10,000 tons of wheat and flour. "Funds wld have to come from Mutual Security programs and difficult locate. Decision now up to White House and hope it will be possible give you very early answer." (889.2311/12–2052)

[6] For text of the Mutual Security Act of 1952, approved June 20, see 66 Stat. 141.

[7] In airgram A–51 to Kabul, Jan. 8, 1953, the Department stated that on Dec. 31 President Truman had authorized a credit to Afghanistan of $1.5 million. (611.89/1–853) The credit had been approved the previous day by the National Advisory Council on International Financial and Monetary Policy in a telephone poll constituting NAC Action No. 595. "It is understood that the credit would be repaid in installments within a period of 35 years, including a 6-year grace period on principal and a 4-year grace period on interest, and that the interest rate would be 2½ percent." (NAC Document No. 88, Dec. 30, 1952; NAC files, lot 60 D 137) For text of the Agreement relating to this loan, effected by an exchange of notes at Washington on Jan. 8, 1953, see *United States Treaties and Other International Agreements* (UST), vol. 4 (pt. 2), p. 2941.

689.90D/2–1653 : Telegram

The Secretary of State to the Embassy in Afghanistan [1]

SECRET WASHINGTON, February 20, 1953—5:43 p. m.

371. Ambassador Naim called on Department 19 to be informed result your submission Zafrulla's formula to Government Afghanistan [2] (Embtel 494).[3] Naim said he had received report re this matter; that statement unacceptable, that welfare tribal peoples is concern both Afghanistan and Pakistan but real issue is the right "7 million people" to self-determination which Afghanistan supports. Department acknowledged differing viewpoints this issue between disputants and said it not clear how Department can be helpful until both countries exhibit tangible evidence of progress toward resolution their problems. Naim demurred saying divergence views Afghanistan and Pakistan so serious that third party mediatory action essential.

Re Embtel 500 [4] Department referred to press reports in US as well as India and Pakistan re MEDO which are provoking speculation in those countries and reportedly in Afghanistan. By way of background for Afghanistan Government Ambassador was told following: (1) MEDO is presently conceived to be military planning organization only, not involving formal alliances or commitments; (2) MEDO does not exist now and its formation depends upon favorable political relationships within Middle East area, timing of which unpredictable; (3) when organization established perhaps it would wish invite other nations of general area for example Afghanistan or Pakistan if they are then interested; (4) no invitations to join MEDO have been extended to any governments.

Ambassador said Afghanistan concerned about Pakistan participation in any kind Middle East defense organization before solution Pushtoonistan issue. India presumably would feel same way with respect to Kashmir dispute. His government also concerned about Pakistan participation which would result isolation Afghanistan which shares long border with USSR. Ambassador gave no indication Afghan Government interest in MEDO participation.

In view Afghan proximity to USSR and Article 2 Afghan-Soviet Treaty of June 4 [*24*], 1931, Department wonders if Afghan Government would in fact be interested in joining MEDO which as presently envisaged would appear to put Afghan Government in position of

[1] This telegram was drafted in SOA and approved for transmission by Jernegan. It was repeated to Karachi.

[2] For a memorandum of this conversation, held Feb. 19, see p. 1393.

[3] Dated Feb. 14, p. 1390.

[4] In this telegram, dated Feb. 16, Ward had reported that in a conversation held with the Afghan Foreign Minister on Feb. 14, the latter had stated that he had information Pakistan would be invited to join the proposed Middle East Defense Organization and that admittance of Pakistan would be a matter of concern to the Government of Afghanistan. (689.90D/2–1653)

For documentation concerning the proposal for a MEDO, see volume IX.

being open to charge of violating Soviet Treaty obligations and inviting increased pressure with uncertain compensating advantage. Though public and official reaction to prospect Pakistan participation is adverse because of status Afghanistan–Pakistan relations it can be argued that such participation would help fill power vacuum left by British withdrawal from subcontinent. This would be especially so should MEDO develop into substantial defense system.

You may wish pass on Afghan officials on suitable occasion substance paragraph 2 this telegram. Embassy's comments re paragraph 4 appreciated.[5]

FYI Naim said he has requested his own recall. He and Hashim[6] expect stop over in Karachi March or early April enroute Kabul provided Pakistan Government assures them high officials will be there for talks.

DULLES

---

[5] In telegram 536 from Kabul, Mar. 2, Ambassador Ward reported in part: "Considerations in second paragraph Deptel 371, February 20, brought to attention Deputy Foreign Minister Aziz today. Aziz offered no comment other than to say that since MEDO, like NATO, presumably would be purely defensive arrangement, GOA would not be barred from membership because of 1931 nonaggression treaty with USSR." (689.90D/3–253)

[6] Mohammed Hashim Maiwandwal, Counselor of Embassy.

---

103 XMB/8–1153

Memorandum by N. H. Kirk of the Investment and Development Staff to the Chief of the Investment and Development Staff (Ross)

CONFIDENTIAL [WASHINGTON,] August 11, 1953.

Subject: Status of Eximbank Loan to Afghanistan

Problem: About a year ago the Afghan Government began talking about applying for an additional Eximbank loan for roads, power, and further development of the Helmand Valley. On January 12, 1953 the Embassy requested the Bank by letter to consider a line of credit for $20,000,000, the details of the additional projects to be worked out subsequently. The Bank thereupon sent Messrs. Gates and Kohler to Afghanistan to study the situation. In view of the situation at the Bank and the fact that the Afghans were firmly convinced that additional funds would be forthcoming the best the mission could do was make it clear to Afghan officials: (1) that the *amount* of financing which the Eximbank might undertake for further development in the Helmand was in real question, (2) that favorable action on road projects was doubtful, and (3) that there was no chance of further financing unless projects were submitted to the Bank in detail. Although General Edgerton has spoken discouragingly to Afghan Embassy officials recently about the possibility of a new loan, an Afghan mission is sched-

uled to leave Kabul about September 1st to enter into loan negotiations in Washington. In the meantime, the Afghans, with the assistance of Morrison-Knudsen Afghanistan, have been developing detailed projects to submit to the Bank.

Discussions with the Afghan mission could be greatly facilitated if the NAC could go on record at an early date concerning whether it has any objections to the Eximbank considering an Afghan application for a further development loan. For reasons given below it is essential that arrangements for financing further Helmand development be worked out early this fall as prolonged negotiations will have a deleterious effect upon the pace of actual development work and U.S.–Afghan relations no matter who finances it eventually.

Recommendation: It is recommended that the NAC be asked to consider this problem and indicate to the Eximbank that it has no objection to the Bank considering further development loans for the development of the Helmand Valley in Afghanistan.

Background

Financing the Investment Program: The Government of Afghanistan is committed to two heavy but, in the opinion of the Eximbank representatives, sound investment programs in the private and public sectors. The private investment program includes textile manufacturing, cement, and power development and the Government is committed to provide the Bank Milli (private) group about $6 million of foreign exchange annually over the next few years for these projects. Government investment plans are confined at this moment to a second stage development program for the Helmand Valley project, which may require from $9 to $11 million of foreign exchange over the next three years, and a road repair and construction program which might absorb $6 to $8 million over the same period. Thus Government foreign exchange expenditures for investment alone are planned at about $12 million annually while receipts fell from around $16 million in 1950 to around $11 million in 1952; Central Bank exchange reserves fell by $10 million in the same period (during this period the Helmand program was being financed out of the Eximbank credit). Efforts are being made to capture more exchange in the open market and curtail other expenditures but it seems apparent that the investment program must be cut back unless additional outside financing can be found.

The private group (Bank Milli) has long been critical of the Government's investment program in the Helmand and in order to prevent a dangerous political schism from developing over this issue the Government is forced to assist private development by making exchange available at the official rate. Thus, curtailment of the private investment program would bring with it almost certain political risks.

Status of the Helmand Project: The curtailment of the Government investment program in the Helmand would entail even greater political risks for the U.S. as well as the Afghan Government. It has been estimated that some $45 million including the $21 million Eximbank credit has been invested in this project since 1946 and yet only the first stage of construction development (water storage) has been completed. The Arghandab dam, the Kajakai dam and the Boghra canal system are completed or will have been completed by fall. This has enabled the people already on land to extend their farms and bring additional water to their land but actual settlement of new land has hardly begun with only 235 families having been assigned land. The first tract of land being developed includes about 19,000 acres whereas there are some 900,000 acres potentially irrigable from the Arghandab and Kajakai Reservoirs. With the exhaustion of the 1950 Eximbank credit, the Afghans requested in January the following amounts in order that land development and settlement can continue to go forward:

$1,000,000—Further engineering and soil and agricultural surveys
$3,200,000—Marja, Nad-i-Ali and Shamalan water delivery, road and drainage systems
$3,000,000—Arghandab diversion dam, main canals, water delivery, road and drainage systems
$2,100,000—Arghandab power plant

Until quite recently there was considerable danger that the Helmand Valley project would fail completely because of the inability of the Afghans to solve institutional and human problems. MKA was doing a fine job on construction but there was little progress on planning, organizational and social problems which a valley development authority must be prepared to solve. Stimulated by TCA the Afghan Government has created a Helmand Valley Authority which is beginning to assume responsibility and through which technical assistance can be made effective. Over the past few months, the role of MKA has changed from that of combined planner, engineer, constructor and advisor to that of a contractor in our more limited sense of the word. It still remains for the HVA, reinforced by the technical assistance agencies participating in the project, to take over functions heretofore assumed by MKA merely because of the existence of a vacuum.

Even if the HVA can assume its planning and operating responsibilities it will still have need of its contractor during the next stage of development which it is hoped can continue to be a transition period. Unless a firm source of funds for financing further MKA operations is found this fall, the company will probably be forced to close down a going organization of several thousand Afghans headed by experienced Americans with whom they have worked for years. The project could probably not recover from the loss of time and money which

would result at this stage from disbanding the organization which now exists.

Political Importance of the Helmand Project: The Helmand Valley project is important to Afghanistan because it offers opportunities for greatly improving their marginal food production situation, achieving governmental administrative integration of this region with the rest of the country, for reducing present and prospective population losses to neighboring countries, and obtaining for this region economic parity with more prosperous sections of the country.

The project is important to the United States not only because of the capital investment which has been underwritten by this Government. The prestige of the U.S. in Afghanistan and the neighboring countries is involved in the success or failure of a project in which an American construction company, the Eximbank, the Department of State, and TCA have assumed responsibility. The failure of the project for any reason would be a severe blow to American prestige and American relations in this part of the world. It will be difficult enough to prevent failure from institutional and human inadequacies but the addition of new financial problems would probably assure failure.

Afghan Government officials have a very strong expectation that they will obtain more loan money for the Helmand Valley development from the U.S. Government. In the past year the Eximbank has sent two missions to Afghanistan because of this project. The U.S. Ambassador in Kabul has travelled the length of the valley and has made it clear that he considers the project a basic element of U.S. policy in the country. The very fact that, if the project failed, the present Afghan Government would be so severely embarrassed that it might fall, confirms the Afghan officials in their belief that further U.S. assistance will be forthcoming.

Alternative Sources of Financing: Afghan expectations and the danger of failure require the U.S. to consider what sources of further financing are available. From the standpoint of continuity of operations and the willingness of the GOA to borrow, the Eximbank would be the preferred source. Afghanistan is not a member of the IBRD and could probably not be admitted and negotiate a loan there fast enough to assure continuity of operations. Grant aid funds are a possibility although a somewhat incongruous possibility when the country is willing to borrow. The use of grant funds would require a considerably larger allotment of grant funds—$3–4 million annually for several years. This compares with the $700,000 programmed in fiscal 1953 and with about $1,500,000 tentatively allocated for fiscal 1954. The foreign minister recently complained bitterly over the inadequacy of TCA assistance to Afghanistan when compared to aid received by neighboring countries but there is a real question as to the country's absorptive

capacity for technical assistance.[1] There is also considerable feeling that the country should not undertake new capital investment projects until those already underway are closer to completion. The current investment programs can be financed out of Afghan resources and borrowing capacity so there are no financial reasons for putting our capital assistance on a grant basis. The Afghan desire for a larger grant program can probably be satisfied at less cost than would be entailed in putting the whole Helmand project on a grant basis.

Adjustment of Present Eximbank Loan Repayment Schedule: The present loan of $21,000,000 is repayable in 9 years commencing in 1956. Repayment on these terms in addition to new borrowing will result in a very heavy drain on the country's foreign exchange position during years when the Government will be anxious to move into a new stage of development. Last spring the Eximbank indicated to the Afghan Government that it would be inclined to give sympathetic consideration to a request for some lengthening of term. If this were done in conjunction with a new loan the total annual payments would be increased over the present schedule and would make easier the continuation of the private investment program at a higher level than would otherwise be the case. Such action might help to lessen the disappointment of the Afghans if the Bank decides not to undertake new projects such as the road program.

[1] A memorandum of the conversation held on July 25 between Foreign Minister Naim and William J. Hayes, Director of Technical Cooperation in Afghanistan, is enclosed with despatch Totec 11 from Kabul, July 28. Neither is printed. (889.00 TA/7–2853)

Editorial Note

On September 6, 1953, Prime Minister Ghazi resigned and Prince Mohammed Daud formed a new government in which the former Ambassador to the United States, Mohammed Naim, became the Foreign Minister.

790D.5 MSP/1–2254: Telegram

The Acting Secretary of State to the Embassy in Afghanistan[1]

SECRET WASHINGTON, January 22, 1954—4:28 p. m.

183. Your 233.[2] Ludin called on Byroade Jan 15 in pursuance instructions and after reviewing his earlier representation to Sec (Department's 169)[3] took line quite similar that reported ur 233. His gen-

[1] Telegram approved for transmission by Byroade.

[2] Dated Jan. 7. In it Ambassador Ward had reported in part that Foreign Minister Naim had requested him to inquire what the attitude of the Department would be should Afghanistan request military aid from the United States. (780.5/1–754)

[3] In this telegram, dated Jan. 11, the Department had informed the Embassy of a conversation held between Ambassador Ludin and the Secretary on Jan. 5. (790D.5 MSP/1–1154) For a memorandum of this conversation, see p. 1407.

eral concern seemed be over magnitude of present and contemplated assistance to Afghans' neighbors without corresponding benefit to them. He stated frankly that he and his government having difficult time deciding whether Afghan should request military and greater economic assistance from US. He wished discuss matter in preliminary way so that they could best make up their minds.

As Ludin had mentioned figures quoted in Press of up to $250 million for Pakistan military assistance,[4] he was told this pure speculation. US did not decide money amount military assistance programs in advance. If decision made to proceed with Pakistan, survey team would be sent that country and assistance would take form of needed matériel as result such survey, depending upon available supply of items and priority given that country in view our other commitments. Thus any figure at this stage pure speculation.

Ludin was asked for an analysis of what he thought Afghan position would be. He replied his government's decision to assume initial risk receiving military assistance from US would probably be determined by their understanding of amount of aid that could be obtained and speed with which it could be made available. Byroade concluded conversation with asssurance Department would give serious thought Ludin's remarks.

Although it seems doubtful amount assistance US could make available would seem sufficient in Afghan's eyes to warrant them taking such a step with the West would prefer not attempt make decision or definitive reply at this time. We hopeful developments re Turkey and Pakistan will occur soon and may have some bearing on this problem. In meantime believe best reply to Naim is that US has matters raised by him under consideration. Since question inevitably involves other developments in general area determination US views may take some time.

SMITH

[4] For documentation on this subject, see pp. 1818 ff. and volume IX.

Editorial Note

At its meeting held on March 4, 1954, the National Security Council considered and adopted the draft statement of policy contained in NSC 5409, "United States Policy Toward South Asia," dated February 19, 1954, subject to certain alterations. On March 6, President Eisenhower approved NSC 5409 as amended. Section D of NSC 5409 deals specifically with Afghanistan.

For texts of NSC 5409, Gleason's memorandum (drawn up March 5) of the NSC discussion on March 4, and Section D of NSC 5409, see pages 1089, 1126, and 1151, respectively.

213-752 O - 83 Vol XI - Pt. 2 - 27

NAC files, lot 60 D 187 [1]

The Assistant Director of the Export-Import Bank (Arey) to the Secretary of the National Advisory Council on International Monetary and Financial Problems (Glendinning) [2]

WASHINGTON, April 19, 1954.

DEAR MR. GLENDINNING: The Royal Government of Afghanistan has applied to the Export-Import Bank for a credit of approximately $36 million to assist in financing the purchase in the United States of equipment, materials, and services required to continue its development program in the Helmand River Valley, and for certain other purposes. This program is designed primarily to continue the work begun in 1946 which the Export-Import Bank assisted in financing through a $21 million credit authorized in 1949.

The program authorized in 1949 called for the construction of two major dams to obtain control of the Helmand and Arghandab River waters and construction of a major canal system in what is known as Boghra–Marja–Shamalan area. The work has been completed except for minor clean-up but has not resulted as yet in significant increases in acreage under cultivation and crop production. The first task was one of providing the basic capital works which must be followed by construction of a substantial amount of irrigation facilities and land development in order to obtain the full benefits of the original investment. This fact was recognized at the time the original credit was made, as was the possibility of further financing. It was hoped that the Government of Afghanistan would be able to carry out some of the required irrigation and land development work without external assistance and simultaneously with the basic construction program. This has not been the case for a variety of reasons, most of them not entirely unexpected. The work accomplished with the first loan of the Export-Import Bank has been successful to the extent of gaining control of basic water resources in a major section of Afghanistan, but a further investment in connection with this water potential is required if the possibilities of the development are to be realized.

In the course of the study of this loan program over the past year the American Ambassador to Afghanistan, the Chief of Mission of the FOA in Kabul, and representatives of the State Department have emphasized repeatedly to the Bank their views as to both the economic and political importance of going ahead with this job. These views have been set forth in both oral and written form and might best be summed up by saying that, in their opinion, unless further substantial credits from the Bank are forthcoming the United States position and objec-

[1] Master file of the documents of the National Advisory Council on International Monetary and Financial Problems for the years 1945–1958, as maintained by the Bureau of Economic Affairs of the Department of State.

[2] This letter is filed as NAC Document No. 1615.

tives in Afghanistan will be seriously, and perhaps critically, jeopardized on political as well as economic grounds.

During the construction period under the first loan the Staff of the Bank made three extensive field trips to Afghanistan in which the problem of the next logical step in the Helmand Valley development was carefully studied. On the basis of these trips and a detailed study of the Afghan loan application, the Staff has advised the Executive Committee of the Bank that a minimum and necessary next step for a three-year construction and agricultural development program would require financial assistance from this Bank to the extent of approximately $18.5 million. Approximately $16.2 million would be spent on the Helmand development and the remaining $2.3 million on a high priority road maintenance program. Total cost of the program contemplated would amount to approximately $27.5 million in dollar equivalents. Thus, the Government of Afghanistan would be undertaking an obligation to furnish the equivalent of some $9 million to cover necessary rupee, afghani, and off-shore dollar requirements of the construction program. This latter appears to present no problem.

Careful study of the current Afghan financial and economic situation and prospects indicates that the Government can undertake an additional dollar debt burden of this magnitude only if the terms of the original $21 million loan are re-negotiated on a more liberal basis and the terms of new financing are set accordingly. Based upon the limited information available in 1949, the original loan was established to carry a six-year grace period and nine years to repay, which, in the light of more recent practice on programs of this character, now seems excessively conservative. The current Afghan foreign exchange situation is difficult and prospects are that it will remain tight for the next four or five years in consequence of commitments already undertaken for a private industrial development in the North and of inadequate management of the Afghan karakul industry. Looking beyond 1959–60 there would seem to be every reason to expect improvement.

It is proposed, therefore, that the terms of the new credit provide for repayment in 36 semiannual installments commencing October 20, 1958 under a level payment arrangement so that the total of each semiannual combined interest and principal payment thereafter is approximately constant; with disbursements under the credit to be evidenced by promissory notes bearing interest at the rate of 4½ percent per annum, payable semiannually; and with the line of credit to be available for disbursement until December 31, 1957.

In addition, it is proposed that the Bank give assurances to the Government of Afghanistan that it is prepared on completion of disbursements under the existing credit to refund all obligations which have been issued to the Bank under that credit by accepting new notes bearing interest at the present rate of 3½ percent per annum, payable

semiannually, and repayable in 36 semiannual installments commencing on October 20, 1958 under a level payment arrangement, so that the total of each semiannual combined interest and principal payment thereafter is approximately constant.

The Export-Import Bank requests the National Advisory Council to advise the Bank whether the Council perceives any objection to the Bank's considering the proposed credit and revision of terms in the old credit.[3]

Very truly yours, HAWTHORNE AREY

[3] In NAC Action No. 694, Apr. 26, the Council stated that it offered no objection to either of the proposals outlined above. (NAC files, lot 60 D 137; NAC Document No. 88) The Export-Import Bank authorized the new credit on Apr. 29 and authorized refunding of the previous loan either on that date or shortly thereafter. (Export-Import Bank, *Eighteenth Semiannual Report to Congress: January–June, 1954* (Washington, Government Printing Office), p. 44)

789.5/6–2354

Memorandum by the Deputy Director, Office of South Asian Affairs (Smith) to Donald D. Kennedy of the Bureau of Near Eastern, South Asian, and African Affairs

SECRET [WASHINGTON,] June 23, 1954.

Subject: Views of Ambassador Ward on Military Assistance to Afghanistan

As instructed by you, I have had discussions in which both Ambassadors Ward and Hildreth participated on the subjects of (1) military assistance to Afghanistan and (2) the possibility of ameliorating the hostility between Pakistan and Afghanistan growing out of the Pushtoonistan dispute by using Pakistan as a channel for extending military and economic assistance to Afghanistan.

Ambassador Ward's views on military assistance to Afghanistan are as follows:

1. As a result of the Turkish–Pakistan cooperation agreement [1] and the U.S.–Pakistan Mutual Defense Assistance Agreement,[2] the belief is growing in Afghan governmental circles that the U.S. has turned its back to Afghanistan. At the same time, the Soviets have been moving to strengthen their ties with this buffer state through trade on terms very favorable to the Afghans and through credits for economic development accompanied by technical assistance.

2. Should Soviet efforts be intensified, and in the absence of any effective counter move by us, we can expect the Soviets to establish

[1] For text of the Turco-Pakistani Agreement for Friendly Cooperation, signed at Karachi on Apr. 2, 1954, see Royal Institute of International Affairs, *Documents on International Affairs, 1954* (London, Oxford University Press, 1957), p. 185.

[2] For text of this Agreement signed at Karachi on May 19, 1954, see *United States Treaties and Other International Agreements* (UST), vol. 5, p. 1954. For documentation, see pp. 1818 ff. and volume IX.

effective control in the trans-Hindu Kush area of Afghanistan within the foreseeable future, and possibly south of the Hindu Kush.

3. There should be an appraisal by the appropriate U.S. military authorities of the importance of Afghanistan, both direct and indirect, to the U.S. and it should be determined whether it is in the U.S. interest to permit the Soviet Union to extend its borders southward to Pakistan, at the same time outflanking Iran. This determination also should include the effect on U.S. interests of the loss of Afghan fighting forces, which latter might be very effective in immobilizing Soviet troops through guerilla warfare.

4. If the loss of Afghanistan and its fighting forces and the extension of Soviet power to Pakistan's borders are judged sufficiently adverse to U.S. interests, we should extend military assistance to Afghanistan.

5. Certain Afghan leaders already have indicated their interest in receiving U.S. military assistance despite the Soviet threat. In pursuance of a decision called for in No. 4 above, we should offer military assistance to Afghanistan in the context of a regional arrangement, i.e., association with Turkey or Pakistan or both in arrangements similar to those existing between Pakistan and Turkey.

6. We should be completely forthright in making clear to the Afghans that we can make no commitments beyond the language of the mutual defense assistance agreement. We cannot guarantee Afghanistan's borders.

7. If Afghanistan accepts assistance under our terms, it should be used in strengthening and making more efficient existing military units. It should not be used to expand Afghanistan's armed forces.

8. It should not be overlooked that the Soviet Union may react to our assistance by taking over northern Afghanistan, whose people are racially akin to the peoples living on the Soviet side of the present Afghan-Soviet border, but this possibility exists whether or not we extend military assistance to Afghanistan.

9. The natural frontier of Pakistan for defense purposes is the Hindu Kush. If we do not move before the Soviets do, we may find them on the Durand Line, which would be less possible to defend.

10. It may be argued that from a psychological and propaganda point of view we should consider timing and not move into Afghanistan until after the Soviet Union had taken the northern part, but a negative approach of this kind could result in the Soviet absorption of all of Afghanistan before we could mount any effective counteraction.

11. The issue really is whether we should enable the Afghans to oppose the Soviets at the Hindu Kush, or permit the Soviets to advance practically unresisted to the Durand Line, and thus become an immediate threat to Pakistan and the sub-continent. Determined Afghan resistance could upset the time table of a Soviet drive to the Indian Ocean sufficiently to enable the Pakistanis to mobilize for effective defense.

I shall send you another memorandum regarding the possibility of ameliorating the hostility between Pakistan and Afghanistan growing out of the Pushtoonistan dispute by using Pakistan as a channel for extending military and economic assistance to Afghanistan.[3]

[3] Memorandum as described not found in Department of State files.

661.89/6–2554

Memorandum by the Officer in Charge of Economic Affairs, Office of South Asian Affairs (Fluker) to the Deputy Director of That Office

SECRET [WASHINGTON,] June 25, 1954.

Subject: United States and Soviet Interests in Afghanistan

Though Soviet economic activity has been somewhat overshadowed by overt Communist aggression in Asia, there has been an obvious quickening of Soviet economic activity in the area. South Asia has been receiving marked attention perhaps to a degree sufficient to support the surmise that the Soviets and the Communist Chinese have reached some agreement on the line within South Asia that demarks their respective spheres of "influence" or responsibility. Within South Asia, SOA has been concerned particularly with trends in Soviet pressures on and in Afghanistan. Although it is important to keep matters in perspective and, therefore, to avoid undue emphasis on events in individual countries, matters in Afghanistan may be coming to one critical stage from the US standpoint. The potential of recent events seems to indicate the need for decision or at least present US evaluations of future action or reactions.

Further light may be shed on the area and global aspects of recent Soviet economic activity in the area when OIR completes the study requested by SOA.[1] DRN estimates that the study will be ready in about a month from now. With regard to the Afghan situation, the following general summary serves to indicate the nature of the problem before us—perhaps summed up in the observation that to date from the standpoint of effective political-economic action, the US is in a relatively good position which the Soviets are trying to undercut.

1. *The present GOA*, with the rise of the new cabinet, is faced with the normal Afghan difficulties of administration, control of certain tribes and an ostensible shortage of internal and external revenues. (*a*) This government is split by economic forces favoring state control on one hand and established private interests on the other. In addition the GOA, for the first time since the advent of the present royal family, is without one of the original brothers at its head. The difficulties of control of a country such as Afghanistan will undoubtedly be greater for the sons, at least in the initial stages of their rule. (*b*) The GOA doubtless desires more US aid and support. It is unhappy with its "share" of such aid and may well be prepared to play off the Soviets against the US. (*c*) In the past Afghanistan's reaction to sporadic Soviet pressure has been one of cautious courage. Recent GOA acceptance of Soviet offers—reportedly under Soviet pressure—indicates that in addition to the reason advanced in (*b*) above, the GOA believes it can take the "benefits" of Soviet aid and eliminate or control the adverse aspects.

[1] Projected study not found in Department of State files.

2. *US economic aid policy* in Afghanistan has been to stimulate economic development but in such a manner as to keep the Soviets from reaching a high state of excitement and the consequent reaction of stepped-up pressure on Afghanistan.

3. *Soviet economic activity* in Afghanistan has moved beyond the trade agreement stage. It has taken in the extension of relatively easy credit and technical assistance from the erection of oil storage tanks, grain storage, milling and a bakery. Apparently it now proposes to move into roads, more oil and gasoline storage, possibly pipeline construction, etc. All evidence points to the probability that the Soviets will move quickly. The Soviets may well have taken this line as a reaction to: (*a*) US military aid to Pakistan—and the Turko-Pakistan pact, (*b*) the effectiveness of US economic aid in the area, (*c*) the possibility of increased free world "influence" in its own Central Asiatic Republics. It is also possible that the Soviets are taking their present line not so much as a reaction to free world action, but as a part of their global strategy.

4. *Dangers of the increased Soviet activity* in Afghanistan include the military aspects of road and oil storage construction, subversive activity by Soviet "technicians" who are of the same racial stock as the Afghans, the opportunity thus presented for Soviet infiltration and pressure on a West Pakistan which has some susceptibilities to such action, and the effect on further Soviet action, and the reaction in the free world of the establishment of a pro-Soviet regime in Afghanistan.

5. *A review of US economic policy* in Afghanistan seems necessary in light of stray Soviet action, the probable consequences of such action, and the US various alternative lines of action now possible for the US.

(*a*) The present US alternatives include:

(1) keeping our present policy without significant increases or decreases in our aid, (2) "minimize our losses" by gradually reducing our activity and our aid to a minimum consistent with achievement of bare economic results, and (3) countering the Soviet moves so as to preclude infiltration by Soviet technicians or mitigate their effectiveness. The latter line of US action may be expensive since it will probably be possible only upon US acceptance of likely GOA requests for substantial additional US economic aid, US military aid on certain guarantees.

(*b*) The US, therefore, faces some difficult decisions in Afghanistan. While all final decisions need not necessarily be made at this time, some evaluation of US interests is necessary in order to guide our immediate action. The basic considerations requiring decision or evaluation at this time relate to (1) the US military interest in Afghanistan (2) the US political and psychological interest in keeping Afghanistan out of the Soviet orbit.

On the basis of these present evaluations, the US can proceed to take certain steps or combinations of steps:

(1) In any case the first action, even before the above-mentioned evaluations or decisions are available, should be to have a frank talk with the GOA by way of emphasizing the dangers of Soviet aid, determining the extent to which the GOA intends to

go, and putting our reservations or objections firmly on record. We should consider consultation with the UK on the problem—although this has some disadvantages with a view to common action. We should also keep a sharp eye on day-to-day developments in Soviet activity—from Kabul, Moscow and elsewhere, with up-to-date information on Soviet citizens (their abilities, disabilities, etc.) assigned to the area in any capacity.

(2) We should consider immediate action with regard to bonded transit of goods through Pakistan to Afghanistan, admission of Afghanistan into the "Colombo Plan," better US loan terms for economic development, and the possibility of increased Afghan trade with Pakistan (possibly in conjunction with US aid to Pakistan), India, and particularly Japan.

(3) If the evaluations indicate a need for strong US action to counter or preclude Soviet economic action, we should consider an emergency aid program extending into administration and possibly military fields. In this event we should recognize that the Soviets' ultimate step might well be an all-out effort to stimulate armed rebellion in Pakistan and that strong US-Afghan (or regional) counteraction would probably be the only timely course open.

(4) The foregoing decisions and evaluations might properly be made final by the NSC or some part thereof. The NSC consideration could undoubtedly be facilitated by the dispatch of an evaluations mission composed of representatives of various interested agencies.

OCB files, lot 61 D 385, "Afghanistan"

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Under Secretary of State (Smith)

SECRET [WASHINGTON,] June 29, 1954.

Subject: Soviet Economic Penetration of Afghanistan

I understand that Soviet economic penetration of Afghanistan, described in Kabul's telegram No. 472, June 24 (Tab A),[1] has been suggested for discussion in an early OCB meeting. I believe that before this step is taken, the Department should develop a position on the problem along with suggested courses of action. This is being done on a priority basis.

---

[1] In this telegram the Embassy, after describing a number of Soviet aid proposals, reported on the Afghan attitude as follows:

"Foreign Minister Naim has stated he is fully aware dangerous implications Soviet aid offers and although under great pressure has only accepted least objectionable projects. Embassy not convinced his views fully shared by Daud and Malik and fears latter may have naive belief they can adequately guard against dangers inherent these projects. Sources close Malik and Economy Minister report considerable anxiety expressed cabinet meetings over these proposals but further cabinet discussion choked off on instructions presumably from Daud." (661.89/6-2454)

Soviet economic penetration first became noticeable at about the time we were entering into our military aid program with Pakistan early this year. We had, of course, anticipated that the Soviets might take some such action in the area in response to Pakistan's committal to the West. Afghanistan has already yielded somewhat to the constant Soviet pressure to accept the extensive bilateral economic development program which it is offering. Some projects have been entered into and others are being considered, all involving growing numbers of Soviet technicians in the country and constituting an increasing mortgage on the Afghan national economy. There is a division of opinion among Afghan leaders as to their ability to keep an eye on the activities of all the Soviets who will be working in the country but the Prime Minister, although not pro-communist or pro-American, is attracted by the intrinsic value of the Soviet offers, and reportedly believes that he can maintain control of the situation.

Any action on our part in Afghanistan to counter the Soviets further probably will have far-reaching consequences. We, therefore, are giving the problem careful study.

790D.5 MSP/7–2754

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State

SECRET [WASHINGTON,] July 27, 1954.

Subject: Your Appointment with the Afghan Ambassador 2:30 p.m., July 27.

The Afghan Ambassador called on me today to say good-bye before leaving for Kabul in pursuance of instructions to return for consultation. In some recent conversations he has explored our attitude toward a possible Afghan request for military assistance. His Government's apparent position now is that it would be willing to consider U.S. military assistance on a bilateral basis, without reference to a regional organization, with the avowed purpose of bolstering its internal strength and of improving its capacity to resist aggression from whatever direction it should come. The Ambassador asked me today if there were any messages he could carry with him to Kabul. He may put the same question to you.

I replied that the U.S. does not have an answer to the question of military assistance to Afghanistan. It was my own belief that the Middle East is a vulnerable area, is threatened by increasing Soviet interest, and the conclusion of a U.S.–Afghan military aid program might provoke a very strong Soviet reaction. The consequence might be serious for Afghanistan, and the interests of neither of our coun-

tries would be served thereby. I said that I had confidence in the possibility of the Turkish–Pakistan agreement as a basis for a wider and stronger regional defense organization in the not too distant future. It seemed to me that it would best serve Afghanistan's interest to receive military assistance at some future date within an established regional organization which would command the respect of the USSR. Conversely, it probably would not be wise for Afghanistan to associate itself now with the Turkish–Pakistan accord, or to consider aid on a bilateral basis. This was particularly true now, since we have only limited appropriated funds to devote to Middle East military programs and could not embark on a large program for Afghanistan. Finally I told the Ambassador that I hoped that Afghanistan and Pakistan would soon solve their Pushtoonistan issue.

Secretary's Memoranda of Conversation, lot 64 D 199

Memorandum of Conversation, by the Acting Officer in Charge of Pakistan–Afghanistan Affairs (Metcalf)

SECRET [WASHINGTON,] July 27, 1954.

Subject: U.S.-Afghan Relations

Participants: The Secretary
Mr. Mohammad K. Ludin, Ambassador of Afghanistan
SOA—Mr. Metcalf

The Ambassador said he had been called home for consultation and inquired whether the Secretary had any message which he could take to Kabul with him. The Secretary asked how Afghanistan's relations with Pakistan were faring. The Ambassador replied that there were no new developments in that respect.

The Ambassador remarked that recently he had put to Mr. Byroade the hypothetical question of the U.S. attitude to an Afghan request for American military aid. Mr. Byroade said that the matter had been under study but that there was no answer.[1] The Secretary said that he thought Afghanistan should proceed slowly in this matter. We were anxious to see real strength develop in the Middle East that would command the respect of others. Moreover we wanted to see that strength develop naturally and not artificially with the appearance of outside pressuring. The Secretary noted that some of the more immediate imponderables in considering military aid for Afghanistan were the nature of the aid program for the coming year, the character of our current commitments, and future contingencies such as the implementation of the Geneva Agreement on Indochina.

Meanwhile the U.S. appreciates the potential role of Afghanistan in

[1] See the memorandum, *supra*.

the Middle East because of its geographical location and its friendship with non-communist nations. The Secretary asked the Ambassador to convey this Government's warm regard for the Prime Minister and the Government of Afghanistan.[2]

[2] U.S. officials increasingly considered the question of U.S. arms aid to Afghanistan in relation to various issues between Afghanistan and Pakistan; for documentation on that subject for the remainder of 1954, see pp. 1414 ff.

INR–NIE files [1]

National Intelligence Estimate [2]

SECRET

NIE–53–54

WASHINGTON, 19 October 1954.

OUTLOOK FOR AFGHANISTAN [3]

THE PROBLEM

To estimate probable developments in Afghanistan's internal affairs and external relations over the next few years in the light of: (1) So-

[1] Files of National Intelligence Estimates, Special Estimates, and Special National Intelligence Estimates, retained by the Directorate for Regional Research, Bureau of Intelligence and Research.

[2] National Intelligence Estimates (NIEs) were high-level interdepartmental reports presenting authoritative appraisals of vital foreign policy problems. NIEs were drafted by officers from those agencies represented on the Intelligence Advisory Committee (IAC), discussed and revised by interdepartmental working groups coordinated by the Office of National Estimates of the Central Intelligence Agency (CIA), approved by the IAC, and circulated under the aegis of the CIA to the President, appropriate officers of cabinet level, and the National Security Council. The Department of State provided all political and some economic sections of NIEs.

[3] According to a note on the cover sheet, the CIA and the intelligence organizations of the Joint Staff and of the Departments of State, the Army, the Navy, and the Air Force participated in the preparation of this estimate. The Intelligence Advisory Committee concurred in this estimate on Oct. 19.

The stimulus for this Estimate is described in the memorandum of discussion relating to the NSC meeting held on Oct. 14. During this meeting, it was indicated that Afghanistan had sounded out the United States with regard to a possible merger of Afghanistan with Pakistan as the best way to keep Afghanistan from being absorbed into the Soviet orbit. According to the memorandum of discussion, Director of Central Intelligence Allen Dulles commented that "there were not many difficulties in the way of such a merger that it would be desirable to have the NSC Planning Board prepare a policy statement on the subject. Mr. Cutler agreed with this suggestion, and as an initial step requested a Special National Intelligence Estimate on the subject. Admiral Radford commented that there were very good reasons from the point of view of the United States to encourage these two countries to get together more closely. He said he had been recently advised by the United States Ambassador in Kabul that the Government of India was doing all in its power to keep the troubles between Afghanistan and Pakistan stirred up." (The quotation is from Item I, "Significant Developments Affecting U.S. Security". The memorandum was drawn up on Oct. 15; Eisenhower Library, Eisenhower papers, Whitman file)

As a result of this discussion, the NSC, in Action No. 1240–*b*, taken on Nov. 14, ordered the Planning Board to prepare a report on Afghanistan following receipt of the Estimate. (S/S–NSC (Miscellaneous) files, lot 66 D 95)

For major documentation concerning the Afghan proposal for a merger with Pakistan, see pp. 1365 ff. For documentation concerning the policy review on Afghanistan, see pp. 1057 ff.

viet policy respecting Afghanistan, and (2) the impact of Western-sponsored efforts to strengthen the surrounding area.

CONCLUSIONS

1. Afghanistan is a primitive tribal kingdom with a heterogeneous population and with undeveloped economic resources. Although the royal family, which completely controls the government, is not very popular among the Afghans, it can probably meet any internal challenge to its authority in the foreseeable future. In general, the Afghan armed forces are of poor quality. They are capable of maintaining internal security, provided there are no simultaneous widespread tribal uprisings, but would quickly disintegrate as an organized force against outside aggression.

2. Afghanistan is confronted with a shortage of foreign exchange needed for economic development and for certain essential imports. This shortage may become critical in the next three years. However, the Afghan economy is largely self-sufficient in foodstuffs, and if it is able to surmount its foreign exchange difficulties, Afghanistan's longer-term economic prospects including economic development on a modest scale, will be reasonably good.

3. The strategic significance of Afghanistan is as a buffer state, separating the USSR on the north from non-Communist Pakistan and India to the south, but itself dominated by neither the Communist nor the non-Communist power bloc. Afghanistan's proximity to the USSR, its remoteness from centers of Western strength, its military weakness, and its growing reliance on the USSR for trade and loans with technical assistance make it highly vulnerable to Soviet pressures.

4. Soviet attentions to Afghanistan, particularly in the form of technical and economic assistance, have increased markedly within the last year. We believe that these attentions are part of a general effort to counter Western gains elsewhere in the Middle East-South Asia area and that they are likely to increase substantially. The Soviet reaction would be particularly strong if Afghanistan's own participation in a Western-backed defense arrangement or its acceptance of substantial Western military aid appeared to be in prospect.

5. Soviet economic penetration may well result in a gradual drift of Afghanistan toward the Soviet orbit. Moreover, the influx of Soviet personnel in connection with Soviet economic and technical aid greatly enhances Soviet subversive capabilities. However, we do not believe that the USSR will actually gain control of Afghanistan, at least within the next few years. It is unlikely that the now negligible pro-Communist element within Afghanistan can gain sufficient strength to overthrow the regime in the foreseeable future. The USSR could easily take over Afghanistan if it chose to do so, but openly aggressive action against Afghanistan would almost certainly entail

anti-Soviet reactions elsewhere, particularly in the Arab-Asian bloc, which the USSR would wish to avoid.

6. The Afghan Government is likely to continue with its fundamental policy of attempting to play off the great powers to Afghanistan's advantage, meanwhile continuing its association with the Arab-Asian bloc in the UN.

7. Afghan leaders will attempt to obtain additional Western economic aid to counterbalance that received from the USSR and will probably display continuing interest in the idea of participating in Western-backed military aid programs. However, it is unlikely that the Afghans would actually accept membership in a Western-backed area defense arrangement since they almost certainly realize that no foreseeable arrangement could furnish them sufficiently realistic protection against Soviet attack to compensate for the increased Soviet hostility toward them which would almost certainly ensue.

8. At the same time, Afghanistan will probably continue to accept Soviet aid offers. In doing so, Afghan leaders may misjudge their ability to curb Soviet political and subversive activity connected with economic development, and may fail to recognize the limitations on the ability and willingness of the Western Powers to assist them in the event of a military or diplomatic crisis.

9. Chances for an improvement in Pakistan-Afghanistan relations, now dominated by the Afghan-instigated Pushtunistan controversy, are poor. There has actually been some discussion in Pakistan and Afghan official circles of some form of union or confederation between the two countries. However, because of basic internal complications and almost certain Soviet and Indian opposition, it is extremely unlikely that such a merger will take place.*

DISCUSSION

I. *Background and Present Conditions*

Afghanistan's Strategic Importance and International Position

10. Afghanistan's primitive economy, undeveloped resources, negligible military capabilities, and lack of useful strategic facilities severely restrict its positive value to either side in the East-West power struggle. However, US interests may be substantially affected by developments respecting Afghanistan because: (*a*) it is flanked by states which the US is seeking to strengthen against the Soviet threat; (*b*) its weakness and remoteness from centers of Western strength make it highly vulnerable to Soviet moves, and thus a likely point for Soviet pressures against Western interests in the general area; and

* See paragraphs 43–44. Other than is stated therein, the feasibility and consequences of such a merger are beyond the scope of this estimate. [Footnote in the source text.]

(*c*) it lies between the USSR and the subcontinent of India and Pakistan.

11. During the nineteenth century, Afghanistan became a focal point of conflict between the Russian and British Empires, since it lay in the path of Russia's drive to expand southward toward India. The British accordingly came to favor Afghanistan's development as a buffer state, with a reasonably strong government which in its own interests would oppose Russian expansion. By the latter part of the century, Afghanistan had come under a strong ruler and Britain had gained control of Afghan foreign policy. After 1885, Afghanistan's buffer role was strengthened when its previously ill-defined borders were delimited by joint commissions. In 1907, Russia and Britain confirmed its buffer status when Russia agreed that it lay outside the Russian sphere of influence, in return for which Britain pledged noninterference in Afghan territory and internal affairs.

12. Thus for almost a century, Afghanistan's security and internal independence depended on the fact that neither Russia nor Britain could afford to permit its seizure by the other. As a result, Afghanistan's foreign policy, after it gained control of its external relations in 1919, became one of balancing British and Russian influence. World War II and the British withdrawal from India in 1947, however, radically altered the balance of power which had supported Afghanistan's independent status. The replacement of British power in the subcontinent by two relatively weak states, Pakistan and India, deprived Afghanistan of its traditional support from the south. In the absence of counterbalancing power, Afghanistan is extremely vulnerable to Soviet pressures.

13. Partly because of this position Afghanistan has taken a neutralist position in the present East-West conflict. It is a member of the Arab-Asian bloc in the UN and has frequently abstained from controversies between the Soviet Bloc and the West. It has welcomed Soviet as well as US and UN assistance in its development program. While leading Afghans are believed in general to favor the West and to regard the USSR with distrust, they are aware that they are in no position to disregard the attitude of such a strong neighboring power. In general, they continue to seek maximum advantage for Afghanistan from balancing the interests of the two great power blocs.

The Pushtunistan Controversy with Pakistan

14. The replacement of British power along Afghanistan's southeast flank by a weak nation of initially uncertain stability also encouraged a revival of Afghan interest in the territories and peoples it had previously lost to the British. Although Afghanistan has laid no formal claim to territory in what is now Pakistan, it has never fully accepted Pakistan's assumption of the old Durand Line as its boundary with Afghanistan and has demanded ever since Pakistan's establishment

that the latter's approximately five million Pushtu-speaking Pathan tribesmen, originally part of what is still the dominant tribal group in Afghanistan, be given an autonomous state of their own, Pushtunistan. Afghanistan's original motives in sponsoring the Pushtunistan cause are still not completely clear, and its efforts to stir up support among the tribesmen themselves have had only limited success. However, Afghanistan has persisted in its campaign to the extent that by now the Pushtunistan issue has become an issue of national prestige with a momentum of its own.

15. Although Afghanistan's demand for Pushtunistan is a major theme of its foreign policy, the proposal has never been exactly defined. Afghan propaganda varies widely in its treatment of the territorial extent of the proposed state and what its relations to Pakistan and Afghanistan should be. Pakistan refuses to discuss any question involving its territorial integrity. It takes the position, which is largely supported by the available evidence, that Pakistan has succeeded to all British rights east of the Durand Line and that the Pathan tribes are satisfied with maintaining the same relation to Pakistan as they had with British India. The Pathan tribes themselves receive subsidies and inducements from one side or the other and, hence, though the tribes themselves are not particularly in favor of the Pushtunistan state, they have an interest in seeing the controversy continue. Various efforts by third parties, including the US in 1950, to bring about a settlement have foundered on the unwillingness of either side to recede from its basic position.

16. Afghanistan refuses to enter formal negotiations with Pakistan over common problems unless Pushtunistan is on the agenda. Although some leading Afghans profess a desire to see the dispute closed, Prime Minister Daud is perhaps the most ardent advocate of Pushtunistan among the royal family. The tempo of propaganda from Kabul has been stepped up again in recent months. At *jirgas* (tribal assemblages), tribal leaders have been promised that the government will continue to seek the separate Pathan state and the government-controlled Afghan press maintains a barrage of Pushtunistan propaganda.

Internal Conditions

17. *Socio-political.* Afghanistan's population, variously estimated at eight to 12 million, is largely engaged in agriculture and animal husbandry. Perhaps as much as one-third of the people are nomadic or seminomadic, and the tribal system is still strong. Communications are poor, and there are few urban concentrations, the capital city of Kabul with a population of something over 200,000 being the largest. In common with other underdeveloped countries of the Middle East and South Asia, Afghan society consists of a vast majority engaged in primitive agricultural and pastoral pursuits; a much thinner layer of small landowners, petty traders, lesser tribal leaders, and a few

urban shopkeepers, professional men, and government employees; and a very small elite (probably not more than two thousand) comprising the royal family, big landowners, the principal tribal leaders, large-scale traders, and wealthy businessmen.

18. As a result of the many invasions and migrations which have traversed the area, the Afghan population is ethnically heterogeneous and the various groups have little in common beyond adherence to Islam. Loyalty to the tribe, clan, or family is usually stronger than loyalty to the nation. There is a lack of national spirit and a general dislike of the central government. National consciousness is further weakened by the fact that many of the tribes near Afghanistan's borders are ethnically akin to similar groups in adjacent areas of the USSR, Iran, and Pakistan.† The dominant ethnic-linguistic group, both numerically and politically, is composed of the Pathan tribes (also called Pushtun and "true Afghans"), which are concentrated in southern and eastern Afghanistan. Afghanistan's ruling oligarchy stems from the principal Afghan Pathan tribe. Other ethnic groups, such as the Tajik, Hazara, Uzbek, Turkomen, and Nuristani, have little or no political power in Afghanistan and for the most part have been forced to accept a second class status within the nation.

19. The government, ostensibly a constitutional monarchy, is actually an autocratic oligarchy tightly controlled by the royal family. There are no political parties, and the members of the royal family, who occupy the top positions in the government, also maintain their hold on the government machinery through appointment of lesser officials, flagrantly rigged elections to the rubber stamp legislature, complete state control of newspapers and other media of communication, and a large degree of state monopoly over the economy. While disputes do occasionally occur within the ruling family, they are normally settled within the group.

20. Although the royal family is apparently not very popular among Afghans, in recent years there has been no serious challenge to its position. It maintains control of the principal Pathan ("true Afghan") tribes, who constitute the most likely internal threat to the central government, by a combination of subsidies, use of the armed forces, and exploitation of tribal rivalries. The three changes of prime ministers which have occurred within the last decade, the most recent being the accession of Prince Daud in September 1953, have been effected peacefully within the family councils. Daud is not well-liked personally, and some of his policies have incurred the resentment of influential elements in Afghanistan. He is probably less favorably disposed toward the West than most Afghan leaders and he, along with Finance Minister Malik, who is the other key figure in the present regime, is largely

† An accompanying map indicates the location of the principal ethnic groups in Afghanistan and related groups in adjacent states. [Footnote in the source text. The map is not printed.]

responsible for the current policy of accepting closer economic relations with the USSR. He has also fostered a trend toward increasing government intrusion into economic activity. These views have aroused some resentment among other members of the royal family and among trading and commercial circles. In addition, certain of Daud's projected tribal policies—notably his efforts to subject the previously exempt Pathan tribes to taxes and military conscription—have had to be withdrawn at least temporarily in the face of strong tribal opposition. Daud and Malik probably receive the support of a group of young intellectuals—many of whom have been trained abroad—who form the second echelon of the government services.

21. The only political forces of consequence other than the Pathan tribes and the ruling oligarchy are the wealthy urban merchants and traders and the religious leaders (mullahs). Religious opposition to King Amanullah's attempts at sweeping modernization in the late 1920's was the primary factor in a successful revolt against him, and indicates the potential of the religious leaders as a check on modern reforms. Some merchant and trading interests with large financial resources are influential in urban areas but would probably assume political importance only in combination with army, tribal, or religious leaders. While certain minority tribal elements and some young reformists in Kabul and provincial cities are probably dissatisfied with the regime, they are not united and have little opportunity to make their influence felt.

22. *Economic.* Although much of its total area is wasteland, Afghanistan's agricultural and pastoral economy is normally self-sufficient in basic foodstuffs, except for sugar. In the past, foreign trade has not been of major importance to the Afghan economy, which has depended on external sources to only a limited degree. With growing Afghan desires for economic development, foreign exchange requirements have expanded with a consequent increase in the significance of foreign trade. Afghanistan's major export and foreign exchange earner has long been karakul (Persian lamb) skins, but cotton has increased in importance and, with recent declines in karakul sales, may replace the latter as the principal export article. Other exports are wool, fruits, and nuts. Major imports are sugar, tea, cotton cloth and other manufactured consumer goods, petroleum products and materials needed for development.

23. Sixty to seventy percent of Afghan foreign trade is with non-Soviet Bloc countries. Until very recently, the US was the largest purchaser of Afghan exports, chiefly karakul skins, with the Soviet Union, India, and Pakistan ranking next in order. Principal sources of imports are the Soviet Union, India, the US, and West Germany, in that order. In the past few years, however, as a result of a sharp decline in karakul sales to the US and a concurrent rise in barter trade with the

213-752 O - 83 Vol XI - Pt. 2 - 28

USSR, the Soviet Union probably now ranks near the US as a leading market for Afghan goods and is easily the largest single exporter to Afghanistan. Soviet trade now constitutes between 30 and 40 percent of Afghanistan's total legal trade. The USSR's willingness to engage in barter trade is particularly attractive to Afghanistan at this time because of its foreign exchange difficulties arising out of the depressed karakul skin market. In addition, prices charged by the USSR for commodities needed by Afghanistan are low, and, especially for northern Afghanistan, the USSR is the most accessible market and source of supplies.

24. Afghanistan's most serious economic problem results from its dependence for foreign exchange on the export of karakul skins to the West, chiefly the US. Postwar overstocking of karakul in the US, reduced demand, and increased competition from South Africa have led to a sharp decline in Afghanistan's karakul sales to the US (from a high of $16 million in 1949 to around $10.5 million in 1953). Afghan foreign exchange reserves, mostly dollars, have consequently dwindled to less than $2 million from a total of more than $13 million in 1951. This decrease in foreign exchange receipts has reduced Afghanistan's ability to import essential cloth, sugar, tea and gasoline from sources other than the USSR. It has also adversely affected the development of private cotton and textile production, which would help Afghanistan toward self-sufficiency. The loss of foreign exchange from karakul has been partly offset by increased cotton sales to Germany and other countries, as well as barter arrangements with the USSR. Moreover, the government has some $47 million in gold and silver reserves on which it could draw. However, the over-all exchange position is not good.

25. Economic development in Afghanistan was undertaken on a very small scale in the 1930's and has been accelerated since World War II. The two major objectives of the current program are the irrigation and reclamation under government auspices of the Helmand Valley in southwest Afghanistan, and the construction of small industrial plants, such as cotton mills, aimed at reducing the country's dependence on external trade and conserving foreign exchange for development purposes. Heretofore, private enterprise carried out much of the development of small industries but the Daud regime favors a statist economy in which private enterprise will play a small role. Afghanistan is heavily dependent upon outside loans and technical assistance for its development. Loans totalling almost $40 million from the Export-Import Bank have been made for the Helmand Valley program and much of the work has been done by a US engineering firm; in addition the US has supplied more than $5 million in development assistance and technical aid. Within the last year, the USSR has made a series of offers to Afghanistan of economic loans and technical assist-

ance for development purposes. It has also sought to participate in the small UN technical assistance program for Afghanistan. So far, Afghanistan has reportedly accepted over $6 million in Soviet loans for development with accompanying technical assistance. In addition, Afghanistan received in September 1954 a $5 million credit from Czechoslovakia.

26. *Military.* The Afghan armed forces, totalling about 65,000, consist of the Royal Afghan Army (about 45,000), the Royal *Gendarmérie* (about 20,000), and the small Air Force (about 30 aircraft). The greater part of the armed forces are located in tribal areas in eastern and southern Afghanistan and in Kabul. These dispositions reflect the primary missions of the armed forces, which are to defend the government against tribal uprisings and to maintain internal security in the more troublesome tribal areas, chiefly among the Pathans. In general, the Afghan armed forces are of poor quality. They are capable of maintaining internal security, provided there were no simultaneous widespread tribal uprisings, but would quickly disintegrate as an organized force against outside aggression.

II. *Probable Domestic Developments*

27. *Socio-political.* The primitive, personalized nature of the Afghan Government makes political stability somewhat uncertain. However, in the absence of strong external subversive interference, present indications are that the royal family can probably meet any likely challenge to its control of Afghanistan in the foreseeable future. While disputes within the royal family may be expected to recur, and changes of prime ministers are quite possible, there is no indication that the present method of settling these matters will be altered. Prime Minister Daud's removal in the near future is not expected. The possibility should be noted, however, that Daud, an unusually strong-willed and ambitious official, might forcibly resist an attempt by other members of the oligarchy to oust him.

28. In any event, a change of prime ministers would not substantially alter present internal and external policies, although there might be some weakening in the present trends toward a statist economy and toward expanded economic ties with the USSR. Those politically active members of the royal family who happen at any time to be out of office, and who therefore constitute a sort of opposition, do not differ significantly in their basic views of policy from those in authority. A coup by leading Afghans other than members of the royal family might have initial success, but unless it had firm army and tribal support, and was not opposed by the religious leaders, its success would probably be short-lived. As far as is known, no group has such support.

29. A military coup is not likely. Traditionally the army has been loyal to the King. However, in the unlikely event of Daud initiating a contest for power with the King, Daud's long and close association

with the military as Minister of War and the numerous changes made among top-ranking officers since he became Prime Minister probably would enable him to obtain the support of the army.

30. Prime Minister Daud or any member of the royal family will probably move very cautiously in order to avoid open conflict with the tribes. A concerted uprising of the major tribes is not expected, although Pathan tribal discontent in the Southern Province is considerable and isolated rebellions are possible. The armed forces are capable of handling such minor tribal disturbances.

31. We have no evidence of the existence of a Communist party in Afghanistan, and the number of Communist sympathizers is believed to be very small. The minority tribal elements near the Soviet border in northern Afghanistan, many of whom are ethnically akin to groups in the USSR, offer opportunities for Communist subversion. One neutralizing factor, however, is that a substantial number of the northern tribal people are refugees who fled from Soviet oppression in Central Asia in the 1920's and 1930's.

32. *Economic.* Afghanistan's short-range economic prospects are darkened by the current depression in the karakul market. The resulting shortage of foreign exchange will probably continue to hinder such industrial developent as the cotton textile industry and will increase the difficulties of servicing the external debt. By 1957, when the external debt burden will be heaviest, a serious foreign exchange crisis is possible. In these circumstances, Afghanistan's need for barter trade may increase its vulnerability to economic threats and inducements from the USSR.

33. However, if Afghanistan is successful in meeting these immediate problems, and sets reasonable limits on foreign borrowing for its economic development, its longer-range economic prospects will be reasonably good. Some improvements in karakul production have been initiated, although the benefits will not be realized for several years and Afghanistan will continue to be vulnerable to fluctuations in the karakul market in the foreseeable future. The development of a local cotton textile industry, although proceeding more slowly than was hoped, should within the next few years release several million dollars now annually spent on piece goods imports. In addition, the production of raw cotton may be expected to increase sufficiently to permit a gradual rise in export. Finally, the recent Export-Import Bank loan will probably allow completion of the important Helmand Valley project in the next few years. Barring unpredictable catastrophes, food production, except for sugar, will probably continue to be sufficient for local consumption.

III. *Probable Developments in Soviet-Afghan Relations*

34. Since about mid-1953, and particularly after the signing of the Turk-Pakistani agreement in early 1954, Soviet attentions to Afghan-

istan have markedly increased. As noted above, the USSR has made substantial offers of economic and technical assistance and has considerably improved its trade position in Afghanistan.

35. We believe that this increased Soviet attention to Afghanistan is part of a general effort to counter recent Western (particularly US) gains in the Middle East–South Asia area. With regard to Afghanistan itself, Soviet objectives probably remain those of: (*a*) limiting Western influence and especially preventing the development of Western military facilities in the country; (*b*) maintaining the Afghan Government's responsiveness to Soviet pressures and influences; (*c*) building up Soviet subversive capabilities within Afghanistan; and (*d*) developing facilities that would be useful in the event of a decision to invade the Indian subcontinent.

36. Nevertheless, the USSR almost certainly views the cumulative effects over the last year of the Turk-Pakistani agreement, the initiation of military aid programs for Pakistan and Iraq, the strengthening of the Western position in Iran, and the settlement of the Suez dispute as a setback for Soviet interests in southwest Asia. In this situation Afghanistan, with its extreme military weakness, its already great economic dependence on the USSR, and its strategic location athwart the "northern tier" defense line which the US is attempting to develop, offers the USSR a convenient arena for countermeasures designed to discourage nearby states from further cooperation in Western defense programs and to offset Western gains in the area.

37. Soviet efforts to exploit the situation in Afghanistan will almost certainly continue. At least initially, the USSR is likely to continue to emphasize a soft policy of economic and other inducements, which serve the dual purpose of demonstrating to Afghanistan's neighbors the value of cooperation with the USSR and of building up Soviet power and influence within Afghanistan. If the threat to Soviet interests in the area grows, however, the USSR is likely to turn increasingly to pressure tactics. If Iran should show signs of preparing to join a Western-oriented defense system, the USSR might consider a show of strength not only against Iran but also against Afghanistan. This show of strength might take the form of diplomatic and economic pressures backed up by military moves along the borders. While the USSR will in any event continue to discourage Afghan acceptance of increased Western influence and activity in the country, it would bring particularly strong pressure to prevent Afghan participation in any Western-backed defense arrangement or acceptance of substantial Western military aid. The Soviet-Afghan Treaty of 1931, which binds each party to refrain from undertaking or assisting any actions prejudicial to the interests of the others would provide strong legal backing to such pressure.‡

‡ The text of this treaty appears in the Appendix. [Footnote in the source text. The Appendix is not printed.]

38. Thus the outlook is for continuing Soviet penetration of Afghanistan's economic and other internal affairs. Afghan leaders will almost certainly seek to place some limit on the growth of Soviet power and influence over their country and will endeavor to obtain counterbalancing Western economic and other support. However, they will find it difficult to resist the economic advantages of Soviet offers of assistance. They probably overestimate their ability to curb the growth of Soviet political influence and subversive activity in connection with economic cooperation programs, and may fail to recognize the limitations on the ability of the Western Powers to come to their assistance in the event of a military or diplomatic crisis. Soviet economic penetration may well result in a gradual draft [*drift*] of Afghanistan toward the Soviet orbit.

39. Nevertheless, we do not believe that the USSR will actually gain control of Afghanistan, at least within the next few years. Communist subversive capabilities will be increased by continuing Soviet penetration of Afghan economic life and the accompanying introduction of Soviet personnel. However, it is unlikely that the now negligible pro-Communist element within Afghanistan can gain sufficient strength within the next few years to overthrow the regime. The USSR could readily reduce Afghanistan to satellite status by more or less open means: through overthrow of the present dynasty or establishment of a puppet regime in northern Afghanistan, utilizing guerrillas from across the border as well as disaffected and venal tribesmen; through demands for military bases on Afghan territory; and through open military aggression. Under present circumstances, however, Moscow would probably be reluctant to engage in such openly aggressive tactics lest it thereby alarm the neutralists of the Middle East and South Asia and encourage them to draw closer to the West. Physical occupation of the country would offer few if any strategic advantages to the USSR. Even in the event of a general war, Afghanistan would probably be taken over only as part of a Communist invasion of the Indian subcontinent. Our present estimate is that such an invasion would probably not be undertaken, at least in the early stages of general war.

IV. *Probable Developments in Afghan Relations With Pakistan*

40. The chances for an improvement in Pakistan-Afghan relations, now dominated by the Pushtunistan controversy, are poor. Afghan agitation of the issue is likely to continue, particularly while Daud continues as prime minister. While most other nations oppose the Afghan proposal, covert support from India, and possibly from the USSR, is likely to encourage Afghanistan to persevere in its demands. It is possible that Afghanistan may take the issue to the UN.

41. Pakistan is unlikely to give in to these pressures. It will probably continue its present policy of economic betterment in the tribal areas and a gradual integration of the tribes into settled life.

While Pakistan is apparently still willing to cooperate with Afghanistan in jointly solving some tribal problems, it is irritated with what it views as the aggressive nature of Afghan propaganda. If the controversy should become more acute, Pakistan might feel compelled to take countermeasures such as covertly creating tribal disturbances within Afghanistan. However, open hostilities between the two countries are unlikely. Pakistan might also retaliate against Afghan trade with and through Pakistan. As a result of Afghanistan's reliance on Pakistan for the transit of its trade and its communications with the West, such developments would threaten to increase Afghanistan's dependence on the USSR.

42. If the Pushtunistan issue were to be settled, Pakistan-Afghan relations would improve considerably. Pakistan-Afghan trade is substantial, Pakistan being the fourth largest importer of Afghan goods, and Afghanistan's trade with the West must pass through Pakistan in transit. Pakistan has generally facilitated Afghan trade within the limits of its transport capabilities, except for a brief period in 1951, and would probably welcome closer ties if the Pushtunistan irritant could be removed.

43. There has actually been some discussion in Afghan and Pakistan official circles not merely of *rapprochement* but, apparently under Afghan initiative, of some form of union or confederation between the two countries. Such a project has also been advocated by the Agha Khan, leader of the Ismaili sect of Shia Moslems, who enjoys considerable prestige in the area. In October 1954, the Afghan Foreign Minister, Prince Naim, approached high US officials with the suggestion that the US use its good offices to promote the plan of confederation. It is possible that Afghans advocating the project may be motivated by the belief that close association with Pakistan is the most feasible means of securing Western, particularly US, support to prevent Soviet domination of Afghanistan, now that the British no longer provide a counterbalancing power on Afghanistan's southern flank. However, we believe it at least as likely that such proposals as Prince Naim's may reflect no more than a desire to involve the US in the Pushtunistan controversy. There is no evidence that confederation has been formally considered by either government.

44. The concept of Pakistan-Afghan unity is likely to continue to be discussed and further efforts may be made to enlist US support for the project. However, we believe that even if responsible officials of both countries were to agree on its desirability, the practical difficulties involved, both internal and external, would make actual implementation highly unlikely: (*a*) both Pakistan and Afghanistan are aware that the USSR would almost certainly regard such a development as threatening its position and rights in the area, which are spelled out in the long-standing Soviet-Afghan Treaty; (*b*) India

would also strongly oppose a merger both because it would strengthen Pakistan and because it would invite adverse Soviet reaction in an area India seeks to keep neutral in the East-West struggle; and (*c*) the two governments would not only have to work out a solution to the Pushtunistan dispute, but would also have to cope with a complex of almost insurmountable constitutional, administrative, and social problems.

V. *Outlook for Afghan's Relations With the US*

45. Despite Afghanistan's neutralist policies, most Afghan leaders recognize the desirability of maintaining good relations with the West as a counterpoise to the USSR, which they fear and distrust. Afghanistan will probably continue to hope for the maximum Western assistance but, in view of the proximity and power of the USSR, and in line with the habitual Afghan policy of playing off Russia and the West, it will probably set cautious limits on the extent of Western influence over its policies. Despite the recent growth in Afghan-Soviet trade, Afghanistan will continue to be dependent upon non-Communist countries, particularly the US, for a substantial proportion of its foreign trade and a large share of the external assistance required for its major current development projects. Afghanistan will also continue to seek US economic aid, primarily because of its economic needs but possibly also to increase US interests in Afghanistan.

46. While Afghanistan has been critical of US arms aid to Pakistan, it has not opposed US efforts to strengthen the area as a whole, and has even expressed some interest in receiving US arms aid. There is little doubt that many leading Afghans would like to join in a defense pact with other states of the area if it had US backing and US arms aid were involved. However, it is unlikely that Afghanistan could actually accept membership in a Western-backed area defense pact since the Afghans almost certainly recognize that any foreseeable arrangement, even with the firmest US backing, could scarcely offer Afghanistan realistic protection against Soviet attack. In addition, the Pushtunistan dispute would make difficult if not impossible any arrangement involving direct ties with Pakistan.

47. Although US efforts to strengthen the area may to some extent run counter to Afghan interests by building up Pakistan and increasing the USSR's sensitivity over its southern flank, Afghanistan probably hopes for continued US interest in area defense. The Kabul Government still tends to think in terms of Afghanistan's traditional buffer state role, and probably regards US moves in the area as a means of replacing British with US power on Afghanistan's southern flank and of giving the US an increased stake in continued Afghan independence. For this reason, Afghanistan will probably seek to exploit to the maximum US interest in Afghanistan and in the area

as a whole, and is likely to continue to bring up at intervals the possibility of obtaining US arms and of joining a regional defense arrangement even though it recognizes that such plans are impractical.

VI. *Outlook for Relations With Other Nations*

48. *India.* Relations between Afghanistan and India have been amicable. Both have long-standing disputes with Pakistan, and India has given Afghanistan moral and financial support in the Pushtunistan dispute. India and Afghanistan have substantial trade relations, and both follow neutralist policies in the East-West conflict. Although Moslem Afghanistan retains some distrust of Hindu India, their mutuality of interests appears to outweigh their differences. India may be expected to continue its efforts to draw Afghanistan more closely into the neutralist bloc.

49. *Iran.* Afghan-Iranian relations have long been irritated by Iranian contempt for Afghan culture, recurring border incidents involving migratory tribes, and some smuggling between the two states. The chief controversy between the two governments, however, is over the disposition of the waters of the Helmand River, which rises in central Afghanistan, enters eastern Iran in the Seistan region, and is important to both countries for irrigation purposes. During normal years the volume of Helmand water is sufficient for both nations but in years of low rainfalls, the Seistan region of Iran does not get sufficient water. In addition, Iran fears the Afghan development in the Helmand Valley, because it will enable Afghanistan to construct new irrigation facilities consuming a disproportionate share of the available water. In 1952 Afghanistan concurred in the report of a neutral technical commission, appointed at the instance of the US to find a satisfactory basis for sharing the waters. Iran rejected the commission's report and has only recently agreed to resume negotiations. There appear to be no insuperable obstacles to a settlement. However, Afghanistan's control of most of the course of the river and of the river control projects give it a good bargaining position and, from the standpoint of Iran, it may prove intransigent. In the absence of an early settlement of the dispute, and with Iran now freed from its preoccupation with the oil controversy, an increase in tension over this issue is possible.

50. *Turkey.* Afghan-Turkish relations have been generally cordial and the Turks have had a strong influence, particularly in Afghan military and educational fields; for over 30 years Afghanistan has been assisted by a Turkish military mission, Afghan military men have been trained in Turkey, Turkish teachers have been employed in Afghan schools, and some Turks have served in certain Afghan government departments. However, Turkey does not have a decisive influence on any major policy matters in Afghanistan. Some Turks are

irritated by Afghanistan's continued Pushtunistan agitation and are likely to oppose it even more if Turkey and Pakistan draw closer together on the basis of their present agreement. In addition, Turkey resents the frequent failure of many Afghan military leaders to implement Turkish recommendations. These are minor irritants, however, and will not disrupt basic Afghan-Turkish friendship. Turkish association with Pakistan in a regional defense arrangement has not had, and is not likely to have, a detrimental effect on Afghan-Turkish relations.

51. *Western European nations.* Since the British withdrawal from India, UK-Afghan relations have not been close. Trade between the two countries is not large and the UK has not participated significantly in development assistance to Afghanistan. Afghans generally are disposed to resent UK foreign policy as imperialistic. France exerts cultural influence through a French-Afghan college and a hospital in Kabul, and archeological activities. French-Afghan diplomatic relations are cordial. German prestige has traditionally been strong in Afghanistan, and Afghan relations with West Germany in the commercial and technical fields may be expected to increase with current German efforts in revive trade with states of the area. German-Afghan diplomatic relations, broken off in 1945, may shortly be resumed. Afghan relations with other West European countries are extremely limited.

52. *The Arab States.* Afghanistan maintains friendly relations with the principal Arab states, with whom it shares a common adherence to Islam and a neutralist and anticolonial outlook. The Arab cause in Palestine, for example, has a certain emotional attraction for Afghans. It is likely that Afghanistan will continue to support the Arab-Asian bloc in the UN.

Editorial Note

At its meeting held on December 9, 1954, the National Security Council reconsidered United States policy toward Afghanistan in the light of increased Soviet involvement with that country. According to Gleason's memorandum of the discussion, drawn up December 10, the Council considered recommendations that economic aid to Afghanistan be increased to a total of $30 million per year to encourage the Government of Afghanistan to resist Soviet pressure and to reach an accommodation with Pakistan over outstanding differences. The NSC decided that a significant increase in United States aid to Afghanistan would create the danger of increased Soviet interest and would do little to facilitate an understanding between Afghanistan and Pakistan. Secretary Dulles discounted the possibility and the value of

confederation between Afghanistan and Pakistan and President Eisenhower agreed. (For the memorandum summarized here, see page 1147.) However, the NSC did adopt a revision of the Afghanistan section of NSC 5409. Texts of this revision, a Planning Board Study on Afghanistan and a financial appendix, are printed as enclosures to a memorandum from Lay to the Council, dated December 14, page 1151.

689.90D/12–1654 : Telegram

The Acting Secretary of State to the Embassy in Afghanistan [1]

SECRET WASHINGTON, December 16, 1954—6 : 10 p. m.

186. FYI. Following revised U.S. policy towards Afghanistan: 1) encourage closer economic political relations between Afghanistan and Pakistan thus creating conditions favorable settlement Pushtunistan and strengthening Afghanistan to better resist Soviet penetration 2) U.S. would assist Afghanistan strengthen its ties with Pakistan by: providing technical and economic assistance, by supporting sound development loan applications by Afghanistan to international lending institutions and by supporting inclusion Afghanistan in Colombo Plan as feasible 3) U.S. would consider encouraging and assisting confederation only if two governments demonstrate convincing desire for its realization 4) U.S. will not for present extend military aid to Afghanistan. However upon attainment improved Afghan relations with Pakistan and Iran consider extending military assistance 5) avoid giving impression U.S. favors participation Afghans in regional defense arrangements at this stage without foreclosing possible participation at later date. End FYI.

Ludin has questioned Department re progress our thinking points raised by Naim his talks with Secretary [2] and others. He informed we believe confederation concept somewhat premature since Pakistan in throes its own internal political reorganization and confederation of two countries might bring strongly unfavorable Russian reaction. Ludin informed amount military aid which we could in light our other commitments deliver Afghanistan would not be sufficient strengthen Afghanistan point where it could resist outside attack. U.S. arms delivered to Afghans might simply create complications with Soviets and impose increased burden on Afghan budget.[3] On other hand we believe much merit in working for gradually strengthened Pak-Afghan ties through development closer economic relations. We inter-

[1] This telegram was repeated (by pouch) for information to Tehran, New Delhi, Moscow, London, Karachi, and Lahore.

[2] For the memorandum of conversation held between the Secretary and Ambassador Ludin on Oct. 8, see p. 1420.

[3] For the memorandum of Jernegan's conversation held with Ambassador Ludin on Dec. 13, see p. 1435.

ested in practical steps bring Afghanistan closer to West through improving its now inadequate communications with Pakistan and development other mutually beneficial economic interchanges such as delivery Warsak power to Jalalabad area. U.S. would have an interest in assisting through loans or perhaps grants such developments although it was stressed to Ludin that no funds in Fiscal year 1955 available and 56 appropriations still in planning stage. Ludin's preliminary reaction not favorable.

Department believes if you deem appropriate above should be communicated Naim as our present thinking. Stress should be laid fact U.S. does not now have available funds for such plans. Believe it important you emphasize also that while U.S. hopes two governments will continue efforts to reach mutually acceptable settlement of disagreements, possible course action described above does not represent U.S. effort persuade Afghanistan accept any given settlement with Pakistan nor U.S. desire establish political preconditions for any possible U.S. assistance.

FYI. Executive branch not yet agreed upon inclusion or amount economic aid in FY 56 budget for projects type described above.[4]

Report Afghan reaction.

HOOVER

[4] For the memorandum of Dulles' final conversation of the year held with Ambassador Ludin on Dec. 28, see p. 1442.

CEYLON

UNITED STATES POLICIES WITH RESPECT TO CEYLON [1]

846E.2395/1–852 : Telegram

The Chargé in Ceylon (Gufler) to the Department of State [2]

SECRET COLOMBO, January 8, 1952—11 a.m.

404. Yesterday evening Black and I were called to PriMin's office. Min Home Affairs Goonetilleke, MinFin Jayewardene and MEA Parliamentary Secy Renanayake also present.

PriMin said MinFin proceeding London Wed for Commonwealth finance talks and it was most important he should know what future dollar position would be. He then quoted statistics to demonstrate reduction in US purchases Ceylon rubber. At this point Goonetilleke interjected that this decline coincided with *Mickiewicz* shipment to China [3] and presumably some connection between two.

PriMin concluded by asking whether we considered this appropriate time hold discussions to re-estab normal pattern US rubber purchases.

We expressed categorical opinion no relation between *Mickiewicz* shipment and decline in US rubber purchases which should be attributed to purely econ factors. We then reviewed background original rubber purchase talks and mentioned that when Amb Corea raised question in Dept in Nov (Deptel 202, Nov 17)[4] door was left open and that Emb subsequently indicated US willing discuss rubber con-

[1] For previous documentation, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 2013 ff.

[2] This telegram was repeated to London as telegram 186.

[3] The *Mickiewicz* was a Polish vessel which had departed Colombo harbor in early October 1951, with the first major shipment of Ceylonese rubber to Communist China. Since this action violated both the U.S. and UN embargo of strategic goods to China, undertaken as a Korean War measure, it consequently strained U.S.-Ceylonese relations. The U.S. Government shortly thereafter terminated all aid to Ceylon in compliance with the Battle Act (explained more fully in footnote 3, p. 1503). For an account of events surrounding the *Mickiewicz* shipment and the U.S. reaction to them, particularly for the months of September and October 1951, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 2013 ff.

[4] Telegram 202 to Colombo stated that Claude Corea, Ceylon's Ambassador to the United States, had on his own initiative discussed with a Department official the possibilities of reopening talks with the United States on a rubber purchase agreement (846E.2317/11–1051). See footnote 2, *ibid.*, p. 2078.

tract (Deptel 226, Dec 6)[5] presumably on basis original ideas (Deptel 1, July 2).[6]

We concluded by saying that so far as we knew US position unchanged but that US definitely would not be willing send negotiator to Ceylon at least until gen principles had been agreed upon in Washington between two govts and under no circumstances would US official negot with Ceylon trade. We realized GOC could not conclude final agrmt without consultation trade here but time as to when trade should be brought into picture should be decided between two govts. If GOC desired resume talks it should take initiative by instructing Amb Corea approach Dept and GOC must suggest alternate procedure other than US send rep Ceylon, or at least indicate willingness consider US views on way discussions should be conducted.

There was gen agrmt US Govt should not be asked negot with Ceylon trade but PriMin pointed out it would be easier reach agrmt acceptable to trade if it were brought into negots at early stage.

Meeting ended with PriMin saying Amb Corea would be immediately instructed request resumption discussions and asking us advise Dept accordingly.

After meeting gov Central Bank Exter, who had been there prior our arrival, informed us that principal purpose calling us in was to dissipate PriMin's fears US might try "push Ceylon around" if talks resumed.

During discussion there was no mention future shipments to Red China. Embassy had, however, previously made US attitude clear (Embtel 315, Nov 12,[7] 347, Nov 28,[8] 370 Dec 7).[9]

Emb still awaiting receipt airgram referred to Deptel 226.

GUFLER

[5] Telegram 226 to Colombo suggested that the Embassy indicate to Ceylon Government officials the continued U.S. willingness to discuss a rubber contract (746E.10/11–2851).

[6] See *Foreign Relations*, 1951, vol. VI, Part 2, p. 2031.

[7] See *ibid.*, p. 2074.

[8] Telegram 347 from Colombo reported a conversation between the governor of the Ceylon Central Bank and an Embassy official in which the possibility of a U.S. rubber purchase agreement was discussed. In this conversation, the governor assumed that the United States would not consider a bulk buying agreement unless Ceylon gave assurances that further rubber shipments to China would cease. (846E.10/11–2851)

[9] Telegram 370 from Colombo reported a conversation between the Ceylonese Prime Minister and Embassy officials in which the American attitude toward rubber shipments to China was again reiterated (493.46E9/12–751).

846E.2395/1–852 : Telegram

The Secretary of State to the Embassy in Ceylon

CONFIDENTIAL WASHINGTON, January 8, 1952—7 : 46 p. m.

263. Inform GOC ur discretion fol except as marked:

GSA still willing discuss possibility rubber contract with GOC but negots shld be concluded within month or two. FYI GSA indicated

wld have no further interest in negotiating contract after June 1952. End FYI.

View past unfortunate disclosures and exaggerated press reports US offers, Dept still believes inadvisable send official Colombo (Deptel 53 Aug 3 1951).[1] Dept continues interested in receiving alternative procedural suggestions from GOC.

GSA still prepared consider contract for about four thousand tons monthly for period 12 to 18 months which wld be equivalent to monthly US take Ceylonese rubber over three year period 1948–50, or close 50 percent Ceylonese production this period.[2] Contract this type shld prove advantageous Ceylonese because of assurance it wld give of maintaining higher level dollar earnings than otherwise. In first nine months 1951 US purchases averaged less than 1,700 tons per month or 20 percent Ceylon production; during last three months of year US purchases from Ceylon still only one-half average level preceding three-year period. No comparable decrease US purchases throughout world.

Suggested type contract shld also prove of value by resulting somewhat higher prices per pound to Ceylon sellers. In absence contract GSA considers its purchases as residual and therefore may, when it believes rubber prices high, make its offers to purchase at several cents below market prices. GSA is however prepared sign contract with GOC to purchase at market prices (customarily determined noon Singapore market).

In view these factors benefits Ceylon by large purchase contract are positive. You may report advantages mentioned in general terms ur discretion to Ceylonese officials.

FYI only, US probably will re-establish free market for commercial purchases natural rubber with private imports by mid 1952. This will be announced well advance effective date. Results this action in conjunction possible decreased stockpile purchases as stockpile goal is neared may well result in softening of price. End FYI.

In absence suggestion for procedure by GOC, you may wish informally indicate to GOC that one way reopen discussions wld be instruct their Amb Wash to open negots here.

Shld GOC raise question Emb may say US is no longer interested exploring possibility contract for purchase other commodities (Deptel 1 July 2 1951).[3]

---

[1] See *Foreign Relations*, 1951, vol. VI, Part 2, p. 2036.

[2] Total Ceylonese exports of rubber for the previous year (1951) had been 103,633 long tons (2,240 lbs.), or an average of 8,636 long tons per month. U.S. rubber imports from Ceylon in 1951 had totalled 25,600 long tons or roughly 24.7 percent of Ceylon's annual production for that year. (Ceylon Department of Commerce, *Thirty Years Trade Statistics of Ceylon (1925-1954)*, Part V, pp. 1836–1837; U.S. Department of Commerce, *Report No. FT 110*, 1951, p. 43)

[3] Telegram 1 to Colombo stated that the Department would consider discussing contracts for other commodities besides rubber, perhaps for copra (dried coconut meat). See *Foreign Relations*, 1951, vol. VI, Part 2, p. 2031.

This replaces airgram mentioned Deptel 226 Dec 6.[4]

ACHESON

[4] See footnote 5, *supra*.

493.46E9/1–952

Memorandum by Peter H. Delaney of the Office of South Asian Affairs to the Director of That Office (Kennedy)

SECRET [WASHINGTON,] January 9, 1952.

Subject: Relationship of Rubber Agreement with Ceylon to Control of Rubber Shipments by Ceylon

Yesterday I stated that it was my understanding that, while the Department had made it clear to our Embassy in Colombo and to the Ceylonese Embassy here that the conclusion of a rubber contract and any action by Ceylon with respect to the control of rubber shipments were unrelated, in fact the US Government did not plan to conclude a rubber contract without having assurances from Ceylon with respect to the control of rubber shipments. The background of my statement was as follows:

(1) In earlier conversations between Mr. Fluker and Ambassador Corea, it was made clear that, although in no sense would we permit a rubber agreement to be treated as "buying off" Ceylon, at the same time we would expect a friendly and cooperative attitude from Ceylon with respect to rubber movements in general. Mr. Corea is said to have the implications of this approach well in mind.

(2) In the Department's outgoing cable to Colombo, No. 202 of November 17,[1] it was stated that the Department had explained its position on a rubber contract to Ambassador Corea and made clear China shipment could not be linked with a rubber agreement. The Embassy replied in its cable 347 of November 28,[2] that it agreed with the Department's view that a rubber agreement should not be linked with China shipments but that, presumably, the US would not consider a rubber agreement unless assurances had been given that no further shipments to China would be made.

(3) We are, of course, perfectly free to modify what Corea and the Embassy understand to be our position—a position which may have been based on a misunderstanding of your desires on this matter. I merely want to apprise you of the background of this matter as I understood it.

(4) You will undoubtedly have received from Mr. Moline the latest information on Mr. Harriman's thinking on this problem. It occurs to me, however, that the probable publicity which the conclusion of a rubber contract would entail, in Ceylon, in this country and in

[1] See footnote 2, *Foreign Relations*, 1951, vol. VI, Part 2, p. 2078. With reference to the Department's position on linking a rubber contract to Ceylonese shipments to China, telegram 202 stated: "Govt has no pre-emptive purchasing policy, no long term protection producers any raw material."

[2] See footnote 8, p. 1500.

other countries affected by the Battle Act,[3] might place the Department in an embarrassing position unless we were able to follow such publicity with a rather firm statement that Ceylon is willing to assume the obligation of controlling exports of rubber to China.

[3] The Mutual Defense Assistance Control Act (H.R. 4550), sponsored by Laurie C. Battle of Alabama, provided for the suspension of economic aid to nations supplying strategic materials to Soviet bloc nations. Superseding the Kem Amendment, which had a similar provision, the Battle Act was passed by the House and Senate in August and approved by the President on Oct. 26. (P.L. 213, 65 Stat. 644). Title II of the act specifically enumerated the strategic commodities which were to be denied to Communist countries.

846E.03/1–1852

Memorandum of Conversation, by the Ambassador in Thailand (Stanton)

CONFIDENTIAL [BANGKOK,] January 18, 1952.

Participants: Mr. A. Ratnayake, Minister of Food and Cooperative Undertakings, Ceylon GADel, Paris
Edwin F. Stanton, American Embassy, Bangkok

Subject: Food Problems in Ceylon

Mr. Ratnayake, Minister of Food of the Government of Ceylon, together with Mr. Alva Tillai [*Alvapillai*], Director of Food Supply, and Mr. Edwards, Secretary of Food Directorate, F.A.O., called on me on January 18.

Mr. Ratnayake expressed appreciation for the assistance rendered by the American authorities in arranging for a loan of rice from Japan. He described the food situation in Ceylon as "very critical", and said that the present rice ration was only 5½ ounces per person. He said the situation was particularly serious in view of the growing strength of the Communist Party in Ceylon. He said his government had felt it unwise to prohibit the establishment of the Communist Party or to censor or suppress Communist propaganda, since to do so would run counter to democratic and liberal policies and objectives of the newly-constituted government. While he did not criticize the government's policies in this regard, he emphasized the fact that Communists were flourishing, that a cabinet minister had recently defected to the Communists, and that Communists and fellow-travelers now control 40 out of 101 seats in Parliament. He repeated several times that the situation was such that the Communists through constitutional means might seize control of the government "without firing a shot". He also underscored the fact that elections are to be held during 1952, and that there is genuine anxiety regarding the outcome.

The Minister said it could readily be seen that a shortage of rice and food stuffs was a critical matter and that if his government were unable to obtain an additional 200,000 to 300,000 tons of rice, rations

213-752 O - 83 Vol XI - Pt. 2 - 29

would have to be decreased, with perhaps disastrous consequences for the country. In this connection he described his unsuccesful efforts at Rangoon to get a larger allotment from the Burmese Government, and added that here in Bangkok he had succeeded in obtaining only a promise of 10,000 tons. He also mentioned American rice, but said that Ceylon's small dollar earnings precluded purchase of any substantial quantities of American rice.

He referred to the displeasure occasioned in Washington by the sale of rubber to China. He said his government seriously regretted what had occurred, and was genuinely anxious to remain in the "democratic camp", but he described the serious difficulties it faced. He said at this juncture the Chinese Communist regime had come forward with an offer of 100,000 tons of rice. He stated he knew the offer was spurious, but that nevertheless the Communist Party in Ceylon naturally capitalized on the offer, and criticized the government for not accepting it at a time when the people were so short of food.

I thanked the Minister for outlining the difficulties facing his government, and said I felt sure that these matters had been brought to the Department's attention and were being given careful and sympathetic consideration. He replied that the Department of State had, of course, been apprised of the situation faced by his government.

EDWIN F. STANTON

846E.2317/1–3052 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State[1]

CONFIDENTIAL COLOMBO, January 30, 1952—4 p. m.

446. All figures metric tons. GOC 1952 rice situation critical due reduction approximately 200 available from Burma. Against GOC minimum requirement 500 during 1952 to maintain current issue rate of 6.7 ounces per day per capita (which approx half GOC estimated prewar consumption rate) only commitments thus far are 120 from Burma,[2] 20 Pak, 15 Indochina, 15 Thailand leaving deficit 80 for first half 1952. Only prospects for second half are 80 from Burma and 20 from Indochina.[3]

Thai reported having surplus 1,600 of which 1,100 being immed disposed of, 800 on govt-to-govt basis and 300 through commercial channels. Thai Govt reported to have already allocated 760 of 800.

---

[1] This telegram was repeated to Bangkok as telegram 4.

[2] All figures are in thousands of tons. The commitment of 120,000 tons from Burma was later reduced to 80,000 tons (telegram 478 from Colombo, Feb. 21, 1952; 846E.2395/2–2152).

[3] A more detailed explanation of the critical nature of Ceylon's rice shortage was reported in despatch 664 from Colombo, Feb. 1, 1952 (846E.2317/2–152).

GOC considers and Emb fully concurs it wld be most unwise reduce present rice issue. Gen elections undoubtedly will be held this year and results may well depend on food situation. At present critical months for Ceylon appear to be June, July and Aug which months probably will precede general elections. Min Food personally requested Emb urge US use good offices with Thai Govt to obtain addit 185.

Emb agrees fully with GOC estimate seriousness situation and strongly recommends Dept and Emb Bangkok give every assistance.

GOC also requests estimate current US stocks available for immed exploitation and stocks estimated available for export beginning May 1952.

SATTERTHWAITE

846E.2395/2–1152 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

SECRET COLOMBO, February 11, 1952—4 p. m.

464. Views contained penultimate para Deptel 300, Feb 9[1] presented to Perm Secy MEA and MinFin. Emb continues maintain position (Embtel 449, Jan 31)[2] that rubber contract being discussed at request GOC and therefore GOC unwise to jeopardize agreement by insisting on terms unacceptable to US.

Perm Secy said Corea had been instructed ask US undertaking assist GOC procure development not defense forces items. Perm Secy agreed contract shld stand alone but said question wld be discussed by Cabinet tomorrow and he unable instruct Corea without Cabinet auth.

MinFin said agreement enlargement sought as means making contract more acceptable to Ceylon public and rubber trade and expressed view that gen statement of US friendship and willingness assist in GOC procurement problems wld fill requirement. MinFin said he wld press Cabinet to instruct Corea proceed immed with negots. Principal Cabinet opposition apparently from Min Commerce and Trade.[3]

SATTERTHWAITE

---

[1] Department telegram 300, not printed, reported that Ceylon Ambassador Corea had proposed on Feb. 8 that a rubber agreement be enlarged to include U.S. assistance in procuring for Ceylon certain needed materials including defense items. The Department expressed its belief that the rubber contract should stand on its own feet and should be concluded rapidly if Ceylon were really interested (846E.2395/2–952).

[2] Not printed.

[3] The Minister of Commerce and Trade, Richard G. Senanayake, nephew of the Prime Minister, Don Stephen Senanayake, had been in favor of expanding trade with China at the expense of commercial ties with the United States. He was personally to lead Ceylon's Delegation to Peking in the fall of 1952 to negotiate the five-year rice rubber agreement with China.

846E.2395/2–1352 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

CONFIDENTIAL WASHINGTON, February 14, 1952—8 : 35 p. m.

PRIORITY

312. Embtel 469 Feb 13.[1] This tel is FYI. Corea and Gunaratna [2] met with Dept reps today. Emb also questioned by reporter and replied there nothing to rumor. No further inquiries Dept.

Corea instr basis discussion today crossed his previous outgoing cable. Much discussion re price based on GOC amplification earlier proposal that price be highest obtaining any one of four markets. Impossible interpret adequately but seemed imply GOC request this be minimum and that purchases any day cld be effected by GSA buyers at higher price. If so, unacceptable GSA. Discussion inconclusive.

Corea again raised question obtaining US Govt assurances re procurement and informed conferees sympathetic GOC desire but again urged not make part of contract. Believe Corea agreeable later discussion this point. Advised also that ground work for any high level mission shld precede such possible mission.

On Battle Act, Corea asked whether only Chi or all Commie countries included frame of reference. Informed that criteria for negot for control under Battle Act now being considered but that for countries other than Chi there wld be room for negot. Informed that spirit of Battle Act intended apply all countries which might be unfriendly US and that while room for negots countries other than Chi there wld be considerable pressure for inclusion other countries in embargo. Corea understood and rested on understanding room for negots.

Corea informed contents London tel 3501 Feb 12 rptd Colombo 16.[3] Expect further discussion Feb 15.

WEBB

---

[1] Telegram 469 from Colombo, not printed, reported that Corea had been instructed to ask if the United States would assist Ceylon with procurement problems after an agreement was concluded. The Ceylon Ambassador had confided that the main intent of this proposal was to appease Commerce Minister Senanayake, who opposed an agreement. (846E.2395/2–1352)

[2] W. D. Gunaratna, Counselor of the Ceylon Embassy in Washington.

[3] Telegram 3501 from London reported that the financial editor of the *Daily Telegraph* advised that the USSR had bought 3,000 tons of rubber in Ceylon for shipment in February or March, a report which was confirmed by another London source (861.2395/2–1252).

846E.2395/2–2552 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

CONFIDENTIAL PRIORITY COLOMBO, February 25, 1952—5 p. m.

484. For Kennedy and Armstrong only. Gov Central Bank informed Emb that Finance Ministry and Central Bank today made strong reps to PriMin that Corea be instructed negot contract on basis American

proposal (Embtel 482, Feb 25).[1] They argued it is to Ceylon's advantage sell largest possible amt rubber for dollars and avoid bargaining over slight differences in price which might on any day exist in different markets. PriMin agreed but has been strongly influenced by Min Com, Min Agri, and Parl Secy MEA who argued:

1. Trade will react adversely if forced at any time accept price less than best obtainable;
2. Wld be polit unwise for GOC enter Colombo market as buyer or impose destinational control in order insure delivery 6,000 tons monthly to US; and
3. Therefore, wld be preferable for PriMin who must have polit *quid pro quo* for stopping shipments to China to accept informal gentlemen's agreement whereby US wld purchase 5,000 tons monthly in Colombo market without obligation on part GOC assure fulfillment this quota.

At this point PriMin uncertain but has instructed Central Bank draw up proposal acceptable to rubber trade whereby GOC cld assure 6,000 tons monthly to US. It wld assist Central Bank greatly to know whether:

(1) With return rubber purchasing to private firms GSA wld buy entire 6,000 tons or only residual amts;
(2) US planning make any alterations in its proposal; and
(3) How prices wld be fixed for types crepe for which there are no comparable Singapore prices.

Emb questions ability Ceylon deliver 5000 to 6000 tons monthly of Rss 1, 2 and 3 and thick pale crepes (Deptel 315, Feb 20)[2] as according Rubber Commr, Ceylon 1951 rubber exports totaled 103,633 tons divided as follows: Rss 57,118; sole crepe 6,352; scrap crepe 19,029; latex crepe 19,708; liquid latex 1,426.

Emb also questions practicability implementing gentlemen's agreement for fol reasons:

1. If US makes commitment buy in Colombo open market, rubber undoubtedly wld be held here for unjustifiably high prices;
2. PriMin presumably wld be unwilling announce embargo to China without actual record US purchases;
3. US Govt wld be asked make commitment which US private trade later might be unwilling or unable fulfill.

SATTERTHWAITE

---

[1] Telegram 482 from Colombo, not printed, reported that the Minister of Finance and the Central Bank representative had left a Ceylon cabinet meeting with the impression that Corea would continue to press for GSA acceptance of the Colombo market price. The American proposal based any U.S. purchase of rubber on the condition that GSA pay the Singapore or world price. (846E.2396/2-2552)

[2] Department telegram 315, not printed, stated that Corea had been handed a draft rubber agreement identical in all major respects to the current U.S. contract with Thailand. The Government of Ceylon was expected to fill in the beginning and termination dates of the agreement, the total tonnages, and the rubber grades to be sold. The Department urged that Ceylon prosecute the negotiations as rapidly as possible. (846E.2396/2-2052)

846E.2395/2–2552 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

CONFIDENTIAL PRIORITY WASHINGTON, February 26, 1952—5:22 p.m.

320. Re Embtel 484 Feb 25.[1]

1. US Govt commitment wld be to buy up to maximum of monthly tonnage specified in contract. GSA wld in any event be residual buyer to assure specified total but might buy more actively through established private trade channels depending on current pattern of govt and industry requirements.

2. No alterations our proposal planned.

3. GSA willing pay an agreed percentage above the Singapore price for nr one Rss for acceptable types crepe, or cld alternatively pay Singapore average for thin pale crepes.

4. Dept and GSA agree with Emb questioning of ability Ceylon deliver 5 thousand to 6 thousand tons monthly Rss 1, 2 and 3 and thick pale crepe but this was suggestion Ceylon Amb.

5. GSA not interested gentleman's agreement idea, in part for reasons advanced reftel. Our gen view is that by time gentleman's agreement was developed to pt at which it was thoroughly understood by both sides and workable it wld not be substantially different from contract. Obviously signed contract affords real protection both parties and shld be more effective as means enabling GOC prevent shipments to China without announcement.

WEBB

[1] *Supra.*

846E.2395/2–2752 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

CONFIDENTIAL PRIORITY WASHINGTON, February 27, 1952—6:58 p. m.

323. Deptel 320 Feb 26.[1] Gunaratna today asked Depts reaction to gen understanding under which US wld buy 5,000 tons rubber a month in Ceylon market. Request based on difficulties with Ceylon rubber trade which wld arise from restrictions involved in contract. If US wld buy reasonable quantities, based on 3-year pattern of 4,000 tons a month going to US, GOC cld explain to trade stoppage shipments to Chi on grounds Chi trade new development.

Gunaratna informed gen understanding not feasible since after

[1] *Supra.*

June 30, no machinery available US Govt enforce specific purchases in Ceylon by private trade except through GSA contract, with GSA agents residual purchasers for stockpile if private trade purchases fell short of agreed amt. Without contract GOC wld have no assurance US purchases and misunderstanding might lead to recriminations. Emphasized that contract price wld be floor price and GSA wld not need enter market if private traders US bought full quantity specified. This wld permit maximum amt free trade at highest prices obtainable with minimum interference by govt.

Dept explained that even under proposed gen understanding restrictions on Ceylon rubber traders involved since stoppage sales to Chi wld require restrictions. Restrictions on liberty of rubber traders cld be explained Ceylon people as in natl interest, inasmuch as assurances wld be gained of stable sizeable dol earnings which wld enable Ceylon economy continue and even expand needed imports from dol area. Other countries faced with exchange problems have found it wise to subordinate particular export and import interests to over-all natl interest. All this undoubtedly familiar GOC Central Bank which must have informed GOC these facts.

Point made that if GOC fearful 6,000 tons a month shipments required undue restrictions, that amt proposed originally by GOC. If smaller amt, which wld nevertheless be consistent with desire both parties maximize quantities, wld leave more flexibility, GOC cld discuss with GSA.

Gunaratna referred Battle Act and asked whether these negots wld be separate from any rubber agreement. Dept stated rubber agreement stood on own feet. However, referred to Corea's earlier statement that control exports to Chi implicit in rubber agreement; this wld of course ease Battle Act discussions when held.

WEBB

846E.2395/2–2852 : Telegram

The Secretary of State to the Embassy in Ceylon

CONFIDENTIAL
PRIORITY

WASHINGTON, February 28, 1952—6 : 49 p. m.

324. Embtel 489, Feb 28.[1] We appreciate reluctance GOC undertake commitment requiring interference local rubber market. Simple fact is that rubber contract implies firm obligations by both sides. US obligation wld be to take fixed quantity rubber at Singapore price. Ceylon obligation wld be to see that quantity made available. Benefit

[1] Telegram 489 from Colombo, not printed, stated that when the U.S. rubber position was discussed with the governor and deputy governor of the Ceylon Central Bank, both officials emphasized that the Government of Ceylon would be extremely reluctant to undertake any commitment which would require it to enter the local rubber market (846E.2395/2–2852).

for Ceylon is assured receipt dollars plus stability resulting from rubber contract.

Obviously GOC cannot undertake commitment make definite quantity available without in some fashion interfering free local market. This interference cld take several forms:

1. Informal arrangements with rubber dealers to make certain that quantities are offered. This may or may not be feasible, depending on local conditions. In any event, without formal controls, govt wld run risk in making commitment.
2. Export license system which wld direct contract quantity to US, and which wld prevent excessive shipments other directions. We recognize it is difficult impose export licenses on top of auction system, but it is not impossible.
3. Entrance of GOC into market as buyer to extent necessary assure performance under contract. This wld probably place GOC in somewhat more vulnerable position than export license system, but again it cld be done.
4. Complete appropriation of entire rubber output by GOC. This probably too drastic step and not required by circumstances.

Thai rubber agreement terms provide for use private trade in Thailand, where conditions quite different from Ceylon (i.e., no auction system). As far as we know, agreement has worked satisfactorily with minimum interference in trade by Thai Govt (only two instances, both of minor nature).

Gunaratna called at Dept today and we again reviewed with him foregoing, emphasizing that a "gentleman's agreement" is unworkable from US standpoint, that a contract places obligations on the US which we are prepared to assume, that comparable obligations wld fall on Ceylon, and that net advantage wld be to assure supply dollars to GOC, and to afford general market stability. We also pointed out that control of rubber for security purposes wld involve measures comparable to foregoing in any event, and that net advantage of contract might as well be included, since some form security control will doubtless have to be undertaken.

FYI three NY rubber traders indicated separately to GSA today that they had obtained rather full knowledge contract negots from Colombo trade.

ACHESON

846E.324/3–752: Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

SECRET PRIORITY COLOMBO, March 7, 1952—10 a. m.

502. Exter Gov Central Bank yesterday gave background and summary recent highest level GOC discussions re rubber agreement. Exter

said GOC taking contract most seriously and on no economic problem with which Exter concerned has PriMin personally spent more time. For example, this week PriMin presided at three very long discussions on subject.

Exter summarized polit background by saying PriMin convinced desirability contract from point view dollar earnings and also has repeatedly stated desire restore cordial relations with US and anxiety find plausible pretext embargo rubber to China as fully aware moral implications GOC present position. PriMin however cannot run very real polit risk being accused selling out Ceylon rubber interests to US which might be case if GOC itself forced buy rubber at any time at lower levels than Colombo open market prices. In other words GOC considers it cld not justify any losses which producers or traders might be forced take as result contract. Embargoing rubber to China undoubtedly will depress market which maximum risk GOC willing take.

Central Bank made day by day analysis relationship over 15 months between Colombo and Singapore prices and found in general prices very competitive. However, variations do occur for such obvious reasons as:

a. Singapore market highly organized and prices may fluctuate from transaction to transaction, whereas in Colombo auction single price established daily applies to all sales;
b. Unusual flow rubber into one market or cur nt availability shipping space;
c. Ceylon rms. No. 1 sheet usually brings fractional premium over Singapore rms. No. 1;
d. Buying in Ceylon for Commie China causes buoyancy in local prices.

View above reasons Exter after conversations with trade leaders convinced GOC cannot persuade trade agree accept Singapore noon prices as contract basis.

Instructions now being sent Corea along fol lines:

1. GOC wld make firm commitment deliver average 3,000 tons sheet monthly. Total 36,000 tons wld be delivered over period of year and not necessarily on basis equal monthly deliveries.
2. GOC wld enter market as agent for GSA only if latter cld not purchase residual balances through normal commercial channels. GOC wld guarantee deliver residual balances to GSA at price not exceeding 1 US cent per pound above Singapore price.
3. GOC wld not undertake supply crepe but wld expect GSA purchase crepe as long as differential between crepe and sheet remained below agreed maximum.

Exter emphasized that above proposal represents greatest possible area agrmt between GOC elements opposing contract and those favoring it and is convinced that while some possibility negot exists, perhaps

connection (2) above, in general GOC must have terms substantially as outlined. On basis Central Bank study he considers average 3,000 tons sheet monthly cld easily be handled through commercial channels at prices competitive with Singapore. It is Exter's considered view that if GSA unable accept proposal along these lines it will be polit impossible for GOC improve terms and that contract discussions must be abandoned.

There are very influential elements in GOC opposed to contract and I consider unlikely PriMin will be able make further concessions. Vaithianathan Perm Sec MEA later called on me and confirmed that instrs tel Corea Mar 6 along lines indicated and that PriMin had serious difficulty obtaining agrmt among colleagues for such terms.

While I fully appreciate necessity conclude contract on sound business basis, at same time in view strategic importance Ceylon and fact there is no satisfactory alternative to supporting present govt, I believe Dept and GSA shld give serious consideration polit factors involved.

SATTERTHWAITE

846E.2317/3–752 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State[1]

CONFIDENTIAL COLOMBO, March 7, 1952—11 a. m.

503. Vaithianathan PermSec MEA called on me yesterday and said he had come at personal request PriMin Senanayake who gravely concerned over rice situation (Embtel 478 Feb 21).[2] Present stores and expected arrivals wld carry country through mid May with possib addit quantities which wld supply Ceylon until early June. After that only most intangible prospects exist. Suppliers' promise becoming increasingly less convincing.

PriMin urged US assistance in this unprecedented situation. PermSec suggested assistance might take form rice loan patterned on India wheat loan. After I explained position to him however he seemed realize this not feasible. He asked however whether US assistance cld be obtained in procuring rice for which GOC wld pay. In latter connection he mentioned there wld be no difficulty making payment in sterling but problem exists if payment required in dols. I suggested possib drawing on dol pool. Later Food Min Ratnayake spoke to me on same subject and himself mentioned dol pool as possib solution.

Altho I agree fully with PriMins estimate seriousness situation (Embtel 446 Jan 30)[3] it is difficult visualize practical measures US

---

[1] This telegram was repeated to Bangkok as telegram 6, Rangoon as 8, and Saigon as 1.

[2] Not printed.

[3] *Ante*, p. 1504.

cld take to assist. I wld welcome Depts comments. In any event info wld be helpful re current US stocks available for immed export and stocks estimated available for export beginning May 1952. Also whether any aid anticipated from Bangkok.

SATTERTHWAITE

846E.2317/3–1252 : Telegram

The Secretary of State to the Embassy in Ceylon [1]

CONFIDENTIAL WASHINGTON, March 12, 1952—6:54 p. m.

339. Re Embtel 446 Jan 30, sent Bangkok 4 [2] and Embtel Feb 21, sent Dept 478 Bangkok 5.[3]

Dept concerned rice procurement difficulty Ceylon as evidenced by aid given in diversion to Ceylon of Southeast Asia rice destined Jap and switch procurement by US Army for Korea from Southeast Asia to US. However, see no feasible basis for US approach Thailand Govt now particularly in absence internatl allocation, for increase declared availabilities and portion earmarked Ceylon. Thailand policy reduce scale its allocations appears applied generally across board. Presume that when later in year becomes evident export availabilities exceed 1,100,000 tons figure now used for allocation purposes, allocations will be increased. Unless Emb perceives objections pls inform GOC along lines foregoing.

FYI only. Dept considers US intercession with Thailand Govt might react to disadvantage GOC. Emb Bangkok believes present small export allocation in spite of current crop optimism reflects unwillingness Thailand commit itself over the year on prices on rising market. Also Thailand Govt worried "possibility sterling devaluation." Thailand expected emphasize greatest possible sales for dols. This connection desire your comments on final para Rangoon tel Jan 25 [4] pouched Colombo.

Difficult assess possible further availability from US. Prelim calculations indicate relatively small availability US during current rice year for Far East beyond shipments and commitments already made and normal requirements for market Western Hemisphere. GOC can explore with private trade possibility procurement rice US. No US export controls on rice presently in force. Whether rice cld be procured US after April doubtful. Dept agrees Embtel 503 March 7 [5] not

---

[1] This telegram was repeated for information to Bangkok as telegram 1904.
[2] *Ante*, p. 1504.
[3] Not printed.
[4] This referred to the last paragraph of Rangoon telegram 727, Jan. 25, 1952, which stated as follows: "Thai Chargé told me understood Ceylon offering dollars for additional Burmese rice. Not confirmed. UK Emb lacks info." (790B.00(W)/1–2552)
[5] *Supra*.

appropriate US Govt provide financing this purpose GOC this time. If GOC concerned re dol position, GOC understands means open to GOC improve situation.

Bangkok airpouch to Rangoon this tel and Colombo tel 4.

ACHESON

711.56346E/3–1952

Memorandum of Conversation, by William Witman II of the Office of South Asian Affairs

TOP SECRET [WASHINGTON,] March 19, 1952.

Subject: Ceylon Proposal for US Military Installations in Ceylon

Participants: Ronald H. Belcher, First Secretary, British Embassy
SOA—William Witman II

References: Memorandum of Conversation with Mr. Belcher December 21, 1951.[1] Despatch No. 604 from Colombo January 11, 1952.[2]

Mr. Belcher called at his request to convey to us his Government's answer to the informal inquiry made to him on December 21, 1951 regarding the possible interest of the Government of Ceylon in defense arrangements with the US.

Citing a letter dated March 14, 1952 from London, Mr. Belcher stated that the general conclusion of the British Chiefs of Staff was that the Ceylon approach should not be taken too seriously. It was feared that possible steps in our direction might have rather unfortunate effects.

The British Chiefs of Staff, according to Mr. Belcher, have already sent to their representatives here views regarding the strategic importance of Ceylon, to be communicated to our Chiefs of Staff for discussion.

From the political point of view, the British considered that as long as the present Government remained in power, there was no danger of its ceasing to align itself with the West. This was based upon the UK–Ceylon Agreement of November 1947 regarding defense, and also upon discussions in January 1952 with the Ceylon Prime Minister who said that the UK could count on continued use in peace and war of the facilities and establishments in Ceylon now occupied. On the assumption that the US were allied with the UK, these facilities would be available to us. (On checking his files, Mr. Belcher was unable to ascertain whether the reference to US use of these facilities was quoted

---

[1] See *Foreign Relations*, 1951, vol. VI, Part 2, p. 2081.

[2] Despatch 604, not printed, described a discussion of the bases question between Rupert Metcalf, British Deputy High Commissioner to Ceylon, and Bernard Gufler (711.56346E/1–1152).

from the Prime Minister's statement, or whether it was the comment of the British Chiefs of Staff.) The situation would be entirely different if the present Government of Ceylon should fall. For this very reason, it would be unwise to go ahead with US–Ceylon discussions, for this was precisely the sort of thing which would be likely to upset the opposition.

I replied to Mr. Belcher that we had not taken the informal suggestions of Sir Oliver too seriously, but could not ignore them. I said that I felt that the views of our military establishment, which I had communicated to him on December 21, 1951, had clearly indicated that while we might be interested at some future date, we had no intention at the present time of pressing forward in the matter. In the meantime there had been other developments, such as rubber shipments to China, that made it even more advisable to postpone any possible discussions.

746E.13/3–2352 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

SECRET COLOMBO, March 23, 1952—noon.

530. Death PriMin after accident that left him unconscious [1] has put governing party in difficulties as to succession. Obvious successor wld be either party's chief surviving elder statesman Home Min Goonetilleke or majority leader House Min Trans Kotelawala. Former appears polit though not legally disqualified as member Senate. Latter considered have too many enemies. PriMin's son MinAgri Dudley Senanayake was being groomed for eventual succession and may be selected now despite relative youth to capitalize on patriarchal traditions Ceylonese people and prestige family name. Likely Goonetilleke wld prefer Dudley as most inclined take his advice. Kotelawala reliably reported consider himself as House leader to be obvious successor and feel that failure select him wld constitute intolerable public affront. As his faction includes heavy contributors party funds he probably is in position make difficulties.

In absence Governor General Soulbury, role as officer administrating govt likely continue present Cabinet as stop-gap for few days. Decision can likely be postponed until after funeral PriMin Sat 29 which shld give Soulbury who due arrive Wed time use his personal prestige (his work as head former Soulbury Commission facilitated Ceylon's independence) to exert moderating influence.

SATTERTHWAITE

---

[1] He had fallen from his horse on the afternoon of Mar. 22.

746E.13/3–2752 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

SECRET COLOMBO, March 27, 1952—4 p. m.

542. Lunched today with Gov Gen Lord Soulbury who returned Colombo shortly after noon yesterday and almost immed asked Dudley Senanayake form govt (Embtel 541, March 26).[1] He confirmed that before his departure he asked late PriMin, who was then in hospital what his wishes were re successor shld anything happen him during Soulbury's absence from Ceylon and that PriMin clearly stated in reply (my 532, March 24)[1] that he hoped his son Dudley cld succeed him in such event. Even without this strong constitutional peg Soulbury had, he said, decided some time ago that Dudley was only official who cld hold govt together in event his father was incapacitated. Actually Gov Gen's decision was eased by receipt communication from large number govt MPs to effect Dudley was only member govt they wld support for PriMin. As this definitely means Sir John Kotalawela cld not form govt it was therefore not even necessary consider his claims for Priminship. Soulbury is pleased with way situation has worked itself out and is inclined believe delay due his absence was all for best.

Foregoing para as in case my 532, March 24 shld be handled with greatest discretion and not used outside Dept. Greatest problem confronting new PriMin is bitter disappointment Sir John Kotalawela who is reported furious at being passed over and may defect. Today's papers, however, publish conciliatory statement from him and it is possible he may still be persuaded remain in govt or at least not oppose it. Reliable source indicates PriMin may visit Sir John this afternoon in effort persuade him remain in Govt.[2] Question timing next elections will presumably have wait for decision for few days at least. New PriMin is not mtg govt Parliamentary group until Tuesday as immed after funeral he is going Kandy to worship at sacred Buddhist shrines there. He may therefore not receive chiefs diplomatic mission before Wednesday.

Vaithianathan will presumably remain in present position. PriMin has two sure vacancies to fill, his own in Agric and that of Health which has remained vacant since Bandaranaike's defection; also Min Transport in event Sir John refuses remain in govt.

SATTERTHWAITE

[1] Not printed.

[2] Telegram 545, Mar. 28, 1952, reported that the new Prime Minister visited Sir John at the latter's house and persuaded him to stay on as head of the Ministry of Transportation (746E.13/3–2852).

846E.2395/4–552 : Telegram

The Secretary of State to the Embassy in Ceylon

CONFIDENTIAL PRIORITY WASHINGTON, April 5, 1952—5 : 04 p. m.

376. Re rubber, Deptel 323 Feb 27 [1] and Embtel 502 Mar 7,[2] numbered pts (*a*) made in GOC *aide-mémoire* Mar 10 [*11*],[3] and (*b*) in US response dated Apr 4 :[3]

1. (*a*) GOC willing enter 2-year agreement covering 72,000 tons per annum or average up to 6,000 tons per month.

(*b*) Providing other terms satis, US wld accept 2-year agreement. US wld accept 72,000 tons year or average 6,000 tons month, but shld GOC prefer lesser amt, US wld accept any stipulated quantity average between 3,000 and 6,000 tons month.

2. (*a*) Purchases by US private trade or GSA or both. GOC understands GSA purchases wld normally be for stockpile and cover residual amt left by private trade.

(*b*) Purchases expected be made US private trade. GSA purchases only residual for US stockpile.

3. (*a*) GOC hopes all purchases be made in open market at current Colombo market prices. While recognizing prices Colombo market have tended slightly higher than Singapore or elsewhere, GOC states both markets highly competitive and small price variation in single day. GOC prefers as little interference in free market as possible.

(*b*) US unable adopt Colombo prices as basis rubber purchases since perhaps 70 percent rubber entering Colombo market absorbed under agreement, price fluctuations in small quantities left cld be unrepresentative. US proposes either (1) price based on Singapore price on date purchase or (2) price based on 30-day average price Singapore in preceding month. Re acceptable types crepe, US willing pay Singapore average price thin pale crepes or alternatively agreed percentage above Singapore price No. 1 ribbed smoked sheets.

4. (*a*) GOC wld agree secure any shortfall in residual quantity which GSA required purchase. In event GSA purchases rubber procured by GOC, GOC wld require price one US cent above corresponding Singapore price.

(*b*) US unable accept one cent premium payable GOC since agreement between two govts neither acting as agent other.

5. (*a*) Of 72,000 tons year proposed, GOC requests breakdown 36,000 tons sheet and balance not exceeding 36,000 tons in either sheet or crepe as may be available or desired by purchaser.

(*b*) Div 72,000 tons year as proposed by GOC acceptable provided GOC wld give US its assurances 40 percent of total will be thick pale crepes nrs 1X, 1 and 2. US prepared accept not less than 15 percent of total in crepes but in event assured quantity crepe less than 40 percent, duration and total quantity involved in agreement wld be decreased.

---

[1] *Ante*, p. 1508.
[2] *Ante*, p. 1510.
[3] Not printed.

6. (*a*) Purchase Ceylon crepe wld be left to open market Ceylon and GOC cannot undertake assist purchase crepes. Provided US has bought all sheet procureable exceeding minimum 36,000 tons, US cld claim exemption from shortfall. GSA not obliged buy crepe at price more than 8 US cents per pound above current price best grade sheet Colombo market.

(*b*) Crepe component important to US. US must have firm assurances crepes forthcoming agreed amts. GOC *aide-mémoire* does not meet point adequately. US aware GOC desire avoid interference ordinary processes Ceylon rubber market and willing consider any other GOC suggestions re arrangement which wld meet US requirements.

7. (*a*) Finalization agreement subject consultation local trade.

(*b*) Our response implied approval if terms basically acceptable to GOC.

US memo also (1) expressed belief proposed agreement advantageous GOC in assuring regular source US dollars, of direct aid in meeting pressures world demand on commodities imported Ceylon, (2) again advised GOC circumstances in which conclusion agreement appropriate will not obtain in indefinite future.

Copies both documents airpouched.[4]

ACHESON

[4] *Aide-mémoires* mentioned in the first paragraph.

846E.2395/4–1052 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

CONFIDENTIAL COLOMBO, April 10, 1952—5 p. m.

574. Discussed rubber negotiations with new PriMin Dudley Senanayake today in course farewell visit. Gufler and Vaithianathan also present. Latter MEA has still received no telegrams on subject from Corea probably on account his illness and therefore know only what we have told them (Deptel 376, April 5).[1]

PriMin seems clearly desirous concluding rubber agreement. As discussion developed however it became clear it very unlikely we can reach agreement until after new govt has been formed on June 10. Vaithianathan pointed out that since no policy decision had been reached by cabinet it is now legally impossible for govt authorize signature while Parliament dissolved.[2] On practical political side PriMin said it wld not be politically feasible sign agreement during election period as result wld almost certainly be at least slight de-

[1] *Supra.*

[2] On Apr. 3, 1952, Ceylon Governor General Soulbury had issued a proclamation dissolving the House of Representatives effective Apr. 8, 1952, and stating that new elections should be completed by May 31, 1952 and that the first meeting of the newly elected House would take place on June 10, 1952 (despatch 817 from Colombo, Apr. 8, 1952; 846E.2395/4–1052).

pression price on local market. PriMin hoped that in circumstance we wld understand his difficulty and be willing delay further discussions until after elections. I said this most unfortunate as credits have been opened up for at least 6000 tons rubber for Commie China. Continued shipments to that destination made negotiations more difficult and were also upsetting local pattern trade. On other hand I assured him my govt wld not wish take any action which might benefit Marxist supported candidates.

In view foregoing it seems unlikely Dept will receive any reply to its counter-proposals until June at least. Emb wld welcome further suggestions from Dept but in view fact GOC began its long vacation today which ends Apr 19 it will probably be impossible even discuss matter further with GOC before Apr 21.

SATTERTHWAITE

460.979/4–2452 : Telegram

The Chargé in Ceylon (Gufler) to the Department of State

CONFIDENTIAL COLOMBO, April 24, 1952—5 p.m.

597. Exter, Gov Central Bank called personally today to discuss status rubber negots in light info included Deptel 383 [*393*], April 18,[1] given him by me. Said he pressing GOC to continue talks before new govt formed as contract wld bring badly needed dollars. Also believes US shld be interested in order stop further shipments rubber to China. Reported new PriMin desires agreement but he and Perm Secy MEA cannot take final decision without Cabinet approval which cannot be given until after elections.

Exter has impression GOC disturbed by Apr 30 deadline and inquired as to reasons therefor. Gave him substance Deptel 383 [*393*], Apr 18, but he unable understand meaning "approaching cessation new rubber activities GSA" unless refers to decontrol announced Apr 20 or possibility GSA unable make contract after end fiscal year. Emb wld also appreciate clarification.[2]

Finally Exter inquired if it worthwhile for GOC to reply to US counterproposals (Deptel 376, Apr 5)[3] despite fact it unable sign contract before June or whether negots that basic definitely closed as of Apr 30. Emb answered it wld transmit this question to Dept.

---

[1] Department telegram 393 to Colombo, not printed, stated that although the Department was sympathetic with the government's difficulties, it would be unable to hold open the current offer beyond Apr. 30 because of rapidly diminishing funds and the approaching cessation of new rubber activities by GSA (846E.2395/4–1052).

[2] Department telegram 405, Apr. 28, 1952, explained that the approaching cessation of new rubber activities referred to the termination on June 30 of GSA purchases for industry and to the fact that the U.S. rubber stockpile was nearing completion (460.979/4–2452).

[3] *Ante*, p. 1517.

He also informally intimated GOC cannot accept price for thick pale crepes based on Singapore average for thin pale crepes and questions whether Ceylon production No. 1 X, 1, and 2 former item can meet US demand. Central Bank sees little difficulty in agreeing price and volume of sheet.

If Exter's impressions correct it appears GOC remains sincerely interested in contract and might wish continue negots during interim before new Parl meets. It cannot under any circumstances sign contract before June.

GUFLER

746E.00/6–152: Telegram

The Chargé in Ceylon (Gufler) to the Department of State

CONFIDENTIAL PRIORITY COLOMBO, June 1, 1952—11 a. m.

650. With results all 95 districts announced, following is parties standing in order gains, losses, total: UNP 23, 12, 54; Freedom Party 6, 6, 9; LSSP 1, 6, 9; Front 0, 2, 4; Tamil Cong 0, 1, 4; Federalist 1, 1, 2; Moors 2, 0, 2; Labor 1, 1, 1; Peoples Republican 0, 1, 1; Independents including speaker 5, 2, 9. Of 7 former Indian Cong seats, UNP won 6, Labor 1.

Among last day victors were MinFin Jayewardene, Freedom Party leader Bandaranaike, LSSP leader Perera, English wife of CP leader Wickermasinghe. Losers include Wickermasinghe, Federalist President Chelvanayakam, Parl Sec Home Min Kanagaratnam, Freedom Party Sri Nissanka.

UNP having clear majority Senanayake remains PriMin and expected choose new Cabinet within few days.

Among factors that contributed to UNP victory are following: (1) sentimental reaction to death former PriMin and energetic personal campaign by PriMin who promised carry out father's policies (this was principal factor mentioned by PriMin in interview with AP representatives); (2) support principal Buddhist and Christian religious leaders; (3) effective use Indian citizenship and immigration question by presentation UNP as only reliable defense against Indian "imperialism" opposition mishandled this issue and continued see greatest foreign threat in Anglo-American "imperialism"; (4) appeal to traditionalist conservatism villagers through anti-Marxist campaign labeling opposition as enemies religion and agents Soviet imperialism; (5) bad strategy opposition parties which made outward motions toward cooperation but actually fought each other. Apparent alliance, however, enabled UNP include Freedom Party in anti-Marxist attacks;

(6) superior UNP organization, large campaign fund, and support entire English and Sinhalese daily press; (7) order of polling with UNP held constituencies placed first.

GUTTLER

446E.519/6–1952 : Telegram

The Acting Secretary of State to the Embassy in France [1]

CONFIDENTIAL WASHINGTON, June 24, 1952—12: 12 p. m.

7548. Re Colombo tels 675,[2] 669,[3] 665; [4] rptd Paris 8, 7, 6; rptd London 181, 179. Emb shld approach Fr this matter with view confirming that Fr Govt intends refuse license refined sulphur Ceylon and expressing US hope Fr will stand firm.[5]

US position this question as fols: In response UN resolution May 18 calling for strategic embargo against Commie Chi all rubber producing countries except Ceylon have been embargoing rubber shipments. Despite US representations Ceylon Govt has been unwilling take action prevent continuing sizeable shipments. Because this situation and in view acute needs other free countries for US refined sulphur, US beginning Oct 1951 has not licensed exports refined sulphur Ceylon. As you know, US supplies considerable amts crude sulphur to Fr. US has preferred not regard its policy as retaliation, but as necessary on grounds refined sulphur used Ceylon for dusting rubber trees,[6]

---

[1] This telegram was repeated for information to Colombo as telegram 459 and to London as telegram 6882.

[2] Telegram 675 from Colombo, June 19, 1952, reported that the French Minister had recently received a note from the Government of Ceylon indicating concern that French authorities were preventing the export of French sulphur to Ceylon. The note was personally delivered by Vaithianathan who added a strong oral plea underlining the importance both he and the Prime Minister attached to the matter. (446E.519/6–1952)

[3] Telegram 669 from Colombo, June 13, 1952, stated that the French Government had replied to its Minister in Ceylon that it had issued no license for the export of sulphur to Ceylon, nor did it intend to do so. (446E.519/6–1352)

[4] Telegram 665 from Colombo, June 10, 1952, reported a *Ceylon Times* newspaper story that France was willing to provide Ceylon sulphur which the United States refused to supply as a result of Ceylon's rubber trade with China. The French Mission in Ceylon assured the Embassy that it was in no way involved with making any such arrangements. (446E.616/6–1052)

[5] The Embassy replied in telegram 8139 from Paris, June 27, 1952, that French export licensing authorities had agreed to prevent the export of black sulphur to Ceylon, a commitment which would require France to impose export license requirements on pest control mixes containing black sulphur as a major ingredient (446E.519/6–2752).

[6] Black sulphur was imported by Ceylon to control the oidium disease which afflicted its rubber trees. The disease is a mildew which attacks the young rubber leaf, causing it to shrivel and fall to the ground. The fungus dramatically reduces a tree's rubber output over the near term and ultimately kills the tree if not

Footnote continued on following page.

thereby contributing to production which likely be used support Commie Chi aggression against US and UN forces Korea.

BRUCE

Footnote continued from preceding page.

brought under control. The use of black sulphur in either a dry (dusting) or wet spray does not eradicate the disease but generally prevents it from spreading. Despatch 51 from Colombo, July 26, 1954, on Ceylon rubber contains more information on this issue (846E.2395/7–2654); see also International Bank for Reconstruction and Development, *The Economic Development of Ceylon*, pp. 241–242.

846E.2317/6–2552: Telegram

The Chargé in Ceylon (Gufler) to the Department of State

SECRET NIACT COLOMBO, June 25, 1952—6 p. m.

685. Called on PriMin today on his summons and was recd in presence Min Food-Agri Goonetilleke and Perm Sec MEA. PriMin stated he plans send Goonetilleke Washington reopen rubber discussions and explore possibility obtaining urgently needed rice and financial assistance. PriMin indicated desire avoid recurring rice crises by some supply agreement that might run for several years under which Ceylon could have certain portion American exportable rice surplus beginning with Sept harvests. He threw out suggestion this cld possibly be tied up someway with rubber agreement and referred to rice-sugar agreement he understood in effect between US and Cuba.

Goonetilleke will be accompanied to Wash by Asst Sec Fin Min Rajendra Coomaraswamy and Food Comm Alvapillai. En route Wash will visit Rome and London. Plans discuss possibility purchase Italian rice and have discussions UK Govt and Bank Eng on rice and financial question. N U Jayewardena, Deputy Govt Central Bank Ceylon will accompany party to London.

Exter Gov Cent Bank informed me this morning that summons from PriMin imminent result last nights "dramatic" cabinet session. Exter stated that GOC encountering difficulty obtaining rice usual south Asian sources result competition dlr purchasers among whom FPAP Logistic Command buying for South Korean Army. He added that rice suppliers reluctant sell rice for sterling and Ceylon now at competitive disadvantage as purchaser since its dlr earnings power declined result falling off direct rubber exports US. Exter believes this situation has increased desirability US rubber purchase agreement in Ceylonese eyes.

PriMin and Goonetilleke both well aware any discussion rubber question must be on basis new situation, since prior US offer expired Apr 30 (reDeptel 383[393], Apr 18).[1]

---

[1] See footnote 1, p. 1519.

PriMin stated that Goonetilleke's trip would be described as "search for food" and specifically requested that other purposes visit be kept secret.

Before sending Goonetilleke PriMin wld be grateful for indication his visit Wash wld be welcome. Goonetilleke must be back Ceylon July 26. Tentatively plans two days stop Rome, week London, ten days Wash. No arrangements made Rome, London visits pending Wash approval which urgently needed, as maintenance this sched requires departure Ceylon not later than next Sat. or Sun. Tele inst urgently requested re acceptability visit. Wld also appreciate in same or follow-up tele any information or comment Dept believes could usefully be communicated PriMin or Goonetilleke prior latter's departure.[2]

GUFLER

[2] The Department replied in telegram 463 to Colombo, June 26, 1952, that it was willing to see the Ceylonese Delegation and would give consideration to Ceylon's rice needs. However, it warned that rice was generally unavailable for export at that time, although a new crop due in August would provide marketable supplies later. Any agreement on rubber would have to be made separately from any rice transaction, and the Department reiterated its position in telegram 393 that it was too late to reach a rubber agreement on the terms previously discussed. (846E.2317/6–2552)

846E.2317/6–2852 : Telegram

The Chargé in Ceylon (Gufler) to the Department of State[1]

SECRET COLOMBO, June 28, 1952—3 p. m.

691. Re Deptel 463, June 27 [*26*].[2] Present Ceylon rubber export–rice import problem appears as much exchange as rice shortage problem. Falling off direct US rubber purchases decreased dollar earnings at time when rice suppliers will only with delay and reluctance sell rice to non-dollar purchasers. Burma reportedly supplying rice for dollars to Japan, Philippines and Indonesia. Siam supplying Indonesia for dollars. Ceylonese conclude that only with dollars can their rice supply be made assured.

GOC decision send Goonetilleke mission urged by Finance Minister, supported by Central Bank whose primary concern exchange problem, Food Minister Goonetilleke and Prime Minister himself. Suggestion possibility rice-rubber agreement on lines reported Cuban-US-rice-sugar agreement introduced in Ceylonese discussions by Prime Minister himself.

. . . . . .

[1] This telegram was repeated for information to London as telegram 182 and to Rome as telegram 3.

[2] See footnote 2, *supra*.

This tel being repeated info London, Rome. Dept may desire repeat those offices its tel 463, June 27 [*26*]; Embtel 685, June 25.[3]

GUFLER

[3] *Supra.*

846E.2395/7–1552

Memorandum by the Deputy Director of the Office of International Materials Policy (Armstrong) to J. Robert Fluker, Officer in Charge of Economic Affairs, Office of South Asian Affairs

RESTRICTED [WASHINGTON,] July 15, 1952.

Subject: Rubber agreement with Ceylon.

This memorandum summarizes the points concerning the practicability of a rubber agreement with Ceylon which were made at a meeting in your office on July 14.

On June 30 the Government stopped buying rubber for current consumption by industry. At present the Government is buying natural rubber only for the stockpile.

The General Services Administration now has under contract nearly enough rubber to meet the minimum stockpile objective. Since some rubber remains to be purchased, it theoretically would be possible for the Government to negotiate a contract with Ceylon for a modest tonnage of stockpile rubber. However, those officials in GSA who are responsible for buying rubber intend to retain a maximum freedom of movement in purchasing the remaining tonnage and have stated categorically that they no longer are interested in signing a contract with any government for any tonnage of any kind of rubber.

If there were general agreement on the wisdom of such a course, the Department could attempt by means of a high level approach to have the operating officials overruled. OMP believes that an attempt along these lines would be unwise. It would be sure to irritate the operating officials in GSA who have been among the Department's strongest allies in interdepartmental rubber discussions. It might fail, since no operating agency likes outside meddling in its affairs. In any event, GSA or Defense could not be approached on the subject until full intradepartmental discussion had indicated that now was the time and Ceylon was the issue over which to intervene. The whole operation could hardly be concluded in time for the present series of meetings with the Ceylonese.

Conceivably an attempt may be made to justify a contract as a means of keeping Ceylonese rubber away from communist China. The pri-

mary responsibility for initiating any such suggestion would lie in EDS rather than in OMP. It is only fair to state, however, that OMP perceives numerous pitfalls, not only for rubber but for other commodities as well in any such scheme and would do its best to secure recognition of these difficulties while an E position was being formulated.

446E.419/6–1952 : Telegram

The Secretary of State to the Embassy in the United Kingdom [1]

CONFIDENTIAL WASHINGTON, July 17, 1952—5:49 p. m.

377. 1. FYI Embtel 5815 [2] considered prior drafting Deptel 43.[3] Fully prepared accept BOT statement re situation that date, but nevertheless deeply concerned by possibility reports recd here may be borne out by subsequent request for license. We read urtel 5815 as indicating possibility license cld be issued if application filed. Quantities mentioned both reports recd here from different sources were identical; recognize possibility may have derived from same source originally.

2. FYI our concern based on following considerations: Despite repeated objection to GOC by US, Ceylon has exported substantial quantities of rubber to China since fall 1951. Objection based China's use rubber in aggression against UN. US stopped aid and refuses export licenses sulphur and other commodities directly related rubber production. Attempt being made achieve change Ceylon's present policy. Fungus attacked Ceylon's rubber trees causing rubber growers pressure GOC stop shipments China order obtain badly needed sulphur. Present US effort on verge success. Vital that policy not be jeopardized by inadvertent or uncoordinated UK action. Ceylon cabinet minister due Wash July 17 discussions *inter alia* rubber. Cooperation France this subject obtained 100% (ref Deptel 7548 and Paris 8139).[4] UK shipments now wld undermine US position and have serious repercussions public and congressional opinion here.

3. In light above request Emb advice re procedure most likely avoid undesirable consequences which wld follow from shipment by UK.

ACHESON

---

[1] This telegram, repeated to Colombo as telegram 22, was drafted by Carlton L. Wood, Director of the Far Eastern Division, Department of Commerce.

[2] Telegram 5815 from London, June 19, 1952, reported that the London Board of Trade had stated that it had received no applications for the export of sulphur to Ceylon and hence had issued none (446E.419/6–1952).

[3] After receiving telegram 5815 (footnote 2 above), the Department in telegram 43 had asked the Embassy in London to investigate reports that British authorities had permitted the shipment of 500 tons of dusting sulphur to Ceylon (446E.819/7–252).

[4] See telegram 7548, June 24, p. 1521.

411.46E31/7–1852

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State [1]

SECRET [WASHINGTON,] July 18, 1952.

Subject: Appointment at 3:30 P. M., July 21, with Ambassador Corea and Sir Oliver Goonetilleke, Minister of Agriculture and Food of Ceylon

Sir Oliver Goonetilleke's call will be in the nature of a courtesy call, and Sir Claude Corea, who has been Ambassador of the United States since 1948, wishes to present new credentials from Her Majesty, Queen Elizabeth.

Sir Oliver arrived in the United States on July 17 from Ceylon via England. During a brief stay in England he discussed with representatives of the British Government Ceylon's needs for rice and dollars. The British are reported to consider Ceylon's rice position precarious and to be prepared to authorize dollars for purchases in the United States.

All four matters on the agenda suggested by the Ceylon Government for discussion with the United States are related to our rubber problem with Ceylon. Rubber is Ceylon's main dollar earner. It is also an irritant to smooth relations between Ceylon and this Government, because Ceylon has not embargoed rubber shipments to Communist China.

Ceylon has refrained from embargoing rubber shipments to Communist China despite continued pressure from the United States. It has evidenced a desire to do so if an embargo could be accompanied by some measure to provide a politically acceptable rationale, since certain important groups in Ceylon would be adversely affected.

Sir Oliver and his delegation had brief talks with the Secretary of Agriculture,[2] Assistant Secretary Thorp and me on Friday, July 18. Other appointments have been made with the Technical Cooperation Administration and other groups for substantive discussions of the subjects on the agenda. Following is a brief statement of each problem:

1. *United States supplies of rice and flour for Ceylon:* The United States is probably the only feasible source of supply for 100,000 tons of rice and flour which Ceylon needs by February 1953. A small portion of this is needed in Ceylon by October of this year. Ceylon is also requesting aid and advice on an agreement with United States producers for a supply of rice over the next five years.

---

[1] This memorandum was drafted by Yenchius, Fluker, and Delaney of the Office of South Asian Affairs and received concurrences from representatives from the Office of International Materials Policy (OMP), the Agricultural Products Staff (APS), the Office of Economic Defense and Trade Policy (EDT), the Economic Defense Staff (EDS), and the Technical Cooperation Administration (TCA).

[2] Charles F. Brannan.

The Department of Agriculture is prepared to give Ceylon's needs every consideration. There is a relatively small quantity of rice available from last year's US crop, but it is of higher quality and price than the rice Ceylon ordinarily imports. This year's crop, now being harvested will permit some exports to Ceylon. The details involved in meeting Ceylon's requests will be discussed with the Ceylonese delegation on Tuesday, July 22.

2. *A long-term agreement for the purchase of Ceylon rubber:* After earlier discussions had been interrupted, the United States—through the General Services Administration—replied to the Ceylon Government's overtures by offering a rubber purchases contract. This offer expired on April 30. Since our offer expired, GSA has continued to purchase rubber elsewhere and has been using up its appropriated funds. It is now reluctant to make any additional intergovernmental contracts.

3. *An exemption for Ceylon under the provisions of the Battle Act:* The Battle Act requires (*a*) that, for countries recipient of United States economic assistance, negotiations be held on the control of such exports as rubber, destined for the Soviet Bloc, and (*b*) the fullest support of the UN resolution relating to the shipment of certain strategic materials to Communist China. The latter requirement makes it impossible to extend Point 4 aid to Ceylon while Ceylon rubber moves to Communist China.

4. *An agreement for the provision of economic and financial aid to Ceylon:* Point 4 aid to Ceylon was suspended in October 1951 because Ceylon was not embargoing rubber shipments to China, and hence was not eligible for aid. The Government of Ceylon has indicated that it wishes to embargo rubber shipments to Communist China, but that an embargo would need to be accompanied by some measures which would provide an acceptable rationale for internal political purposes. Representatives of the Ceylon Government suggested informally that such a rationale would be provided in part if the Ceylon Government could announce a joint US–Ceylon economic development program of a magnitude considerably in excess of the $300,000 now contemplated for fiscal year 1953.

This matter is now under discussion with TCA, with particular attention being given to the possibility of arriving at some language which might meet the Ceylonese desire to be able to refer to a joint program of a given magnitude and covering several years.

Recommendations:

Should Sir Oliver raise any questions on the above numbered points, you may wish to reply along the following lines:

1. The Department understands that there is a small amount of high grade rice available now in the United States and that the Department of Agriculture has arranged for detailed discussions on United States rice availabilities from the coming crop.

2. The United States will be glad to examine any rubber purchase proposal made by Ceylon, although we are not confident that the United States can now conclude an agreement.

3. The United States knows and appreciates the Ceylon Government's understanding of the communist threat to democracy throughout the world. Ceylon's stand at the Japanese Peace Treaty Conference in San Francisco is a fine example of that understanding. We have earnest

hopes that, since the recent favorable elections, the Ceylon Government will find it possible to embargo the shipment of rubber to Communist China.

4. The United States is desirous of helping Ceylon with its task of economic development. You may wish to note that we are looking forward to the time when Ceylon has taken action to meet the requirements of the Battle Act and the United States will be able to extend aid.

Sir Claude Corea is convalescing from an illness that proved almost fatal and has not been able to carry on his official duties since last April. He was knighted in June 1952. You may wish to congratulate him on his knighthood and express an interest in the recovery of his health.

446E.119/7–1952 : Telegram

The Secretary of State to the Embassy in Ceylon[1]

SECRET WASHINGTON, July 19, 1952—3:34 p. m.

25. Goonetilleke, Corea and party accompanied by Clyde,[2] Chairman UK Rice Board and FonOff Rice Adviser, had mtgs with Byroade, Thorp and Secy Agri[3] July 18.

Goonetilleke stressed hope for consideration Ceylon's polit importance despite size; recalled Ceylon's World War II contribution, slaughter-tapping, etc; noted internal struggle against Marxists and mandate given PriMin by people in recent elections; mentioned Ceylon's need plan econ development concentrated on agricultural development rather than industrialization, and need settle problems with US before such planning.

Fol pts made:

1. Ceylon needs US purchase rubber contract.
2. Ceylon needs US rice and flour.

(*a*) Wants purchase 2 cargoes rice for Sept US shipment.

(*b*) Goonetilleke empowered contract up to 100,000 tons rice delivery through Feb.

(*c*) Wishes arrange with US producers for supply 200,000 tons annually for next 3 to 5 years. Goonetilleke said Ceylon willing to cover risk involved for US producers but did not elaborate; said long range prospects Southeast Asian supply versus demand not bright.

(*d*) Desires US advice on how, when, where and at what price make purchases.

3. Goonetilleke emphasized need development of water storage and of existing millions acres paddy and other acreage through Agri extension and improved implements; reclaiming up to half-million acres jungle possibly for cattle raising. He stated:

---

[1] This telegram was repeated for information to London as telegram 436.
[2] William Clyde, U.K. Adviser to Ceylon Mission.
[3] Charles F. Brannan.

(*a*) Ceylon foreign assets $250 million; now drawing down $40 million year; can continue at this rate for little over two years.

(*b*) Need US aid on basis fon exchange and local currency requirements. (Need for US aid meet local currency requirement questioned indirectly by Dept and reaffirmed with some uncertainty by Goonetilleke.) He added that econ development in Ceylon was "military measure" in support world democracy.

4. Goonetilleke made no direct reference Battle Act but stated once econ development under way (implying joint US–Ceylon effort) Ceylon cld make even greater contribution free world coop.

5. Clyde said UK vitally interested Ceylon rice problem and prepared make every effort help. UK will release dols for current purchases.

Dept expressed deep concern Ceylon's problems; said importance of Ceylon fully recognized by Dept and that importance not related to island's size; Dept will follow Washington discussions closely.

Dept Agri advised make purchases 100,000 tons rice in cargo lots without reference full quantity lest price be unduly affected.

Corea making excellent recovery but still far short full vigor. Goonetilleke appears cautious and as yet uncertain precise procedures and pressures to use.

Goonetilleke and Corea (latter to present new credentials) to see Secy July 21. Goonetilleke and delegation scheduled July 21 call on Acting TCA Administrator,[4] lunch Byroade; July 22–23 working group mtgs re details any proposals rubber, rice and flour, and pt four; Battle Act discussions expected work in with latter three mtgs. Goonetilleke departs July 25.

ACHESON

[4] Jonathan B. Bingham.

846E.2317/7–2152

Memorandum of Conversation, by the Secretary of State [1]

SECRET [WASHINGTON,] July 21, 1952.

Subject: Presentation of credentials from the Queen by Ambassador Corea; discussion of Ceylon's need for rice, interest in a rubber contract, and desire for technical assistance.

Participants: The Secretary
Sir Claude Corea, Ambassador of Ceylon
Sir Oliver Goonetilleke, Minister of Food and Agriculture, Ceylon
Mr. Donald D. Kennedy, SOA

Ambassador Corea handed me his new credentials from the Queen. I expressed my great pleasure at seeing him again after his long illness

[1] This memorandum was drafted by Donald Kennedy, Director of the Office of South Asian Affairs.

and extended my congratulations on his having received a Knighthood on the recent honors list.

Sir Oliver Goonetilleke explained that one of the first things his Prime Minister had decided upon after the elections had been successfully concluded was that he, Sir Oliver, should come to America to discuss and work out, if possible, certain matters of great interest to Ceylon. The first and most immediate question was the obtaining of rice. He had already seen the Secretary of Agriculture and further discussions were to be held tomorrow; he had discussed the matter of financing in London and had been given $37 million, converted from sterling, for the purchase of rice and believed that help would be available this year for current needs. In addition, however, he wished to obtain some forward assurances for a period of two or three years, and this still had to be worked out. On rubber, he would like to discuss a possible contract for the procurement by the US of Ceylonese rubber. Conversations had taken place on this some months ago, but they had had to be terminated at the death of the late Prime Minister, Don Stephen Senanayake. Sir Oliver said that the third important question was the matter of technical assistance. He would like to see what agreement could be developed. He hoped that he could find out what was possible on these three important subjects so that his Government could make an overall decision on what to do.

I asked Mr. Kennedy if there was anything I could do at this time. Mr. Kennedy replied that the immediate problem of rice seemed to be in hand, that the longer run problem of procurement presented some difficulties but was still subject to discussion, and that the question of a rubber contract awaited Sir Oliver's suggestions, which he had not yet given us. Presumably this matter would be taken up tomorrow with representatives of GSA and the Department. Mr. Kennedy also said that in connection with a TCA program for Ceylon there was the problem occasioned by shipments of Ceylonese rubber to Communist China; this trade brought into play certain provisions of the Battle Act.

I asked Mr. Kennedy to let me know if there was anything I could do at a later stage.

846E.2395/7–2252

Memorandum of Conversation, by Emmett Lamar White of the Office of South Asian Affairs

CONFIDENTIAL [WASHINGTON,] July 22, 1952.

Subject: Ceylon's Present Rubber Problem

Participants: Sir Oliver Goonetilleke, Minister of Agriculture and Food, Government of Ceylon
Sir Claude Corea, Ambassador of Ceylon

Mr. K. Alvapillai, Food Commissioner, Government of Ceylon
Mr. Rajendra Coomaraswamy, Assistant Secretary, Ministry of Finance, Government of Ceylon
Mr. William Clyde, U. K. Adviser to Ceylon Mission
Mr. G.S. Peiris, Second Secretary, Embassy of Ceylon
Mr. George C. Casto, General Services Administration
Mr. Frank Wilson, OIT, Department of Commerce
Mr. Willis Armstrong, OMP, Department of State
Mr. George Alexander, APS, Department of State
Mr. E. A. Dow, Jr., EDS, Department of State
Mr. J. R. Fluker, SOA, Department of State
Miss M. Yenchius, SOA, Department of State
Mr. E. L. White, SOA, Department of State

The Ceylon Mission to the United States met with officials of the United States Government at 10 a.m. to discuss the above subject.

Sir Oliver Goonetilleke opened the discussion by summarizing the two main developments in Ceylon's situation since the previous United States–Ceylon conversations in 1951 and early 1952. (1) Shipments to Communist China have brought about a 5 to 7 pence (5.75 to 8.05 U.S. cents) premium for sheet rubber prices in Ceylon. (2) Falling world prices for most grades of rubber are severely damaging Ceylon's marginal producers. Sir Oliver went on to say that Ceylon is, and must continue for years, looking to the dollar area for a growing share of its rice needs, and that the Prime Minister is "very keen" on working out some means of returning Ceylon's rubber exports to the historical trade pattern. Hence Sir Oliver was interested in knowing what the United States Government might be prepared to do with respect to purchasing rubber from Ceylon.

Mr. Armstrong reviewed developments on the United States side since the termination of the earlier (1951–52) discussions with the Ceylon Government. On June 30, 1952 the General Services Administration stopped buying rubber for current consumption by industry. Since then, this Government's purchases have been solely for the stockpile. It is believed that other measures taken by the United States Government, including the elimination of restrictions on natural rubber consumption, have been generally helpful to the rubber producing community.

Mr. Armstrong and Mr. Casto emphasized that the United States stockpile goal is now largely met, and that the funds available for rubber purchases when the 1951 offer to Ceylon was under discussion are now nearly exhausted. The residual purchasing power now available would permit only a 6-month contract of the type previously discussed, which would not be very useful for Ceylon. Mr. Armstrong added that in giving this objective account of the United States Government's rubber buying activities he wished to assure the Ceylon Mission that we are conscious of the problems faced by Ceylon and

other rubber producers, and of the need of so many countries to maximize their dollar exchange receipts.

At this point Mr. Fluker asked Sir Oliver whether he wished to give the group the benefit of any further thinking and suggestions the Ceylon Mission might have, since the gist of the United States situation had been transmitted to the Ceylonese some time ago. (Sir Oliver interjected that Ambassador Corea had made it clear to his government why the United States offer had an expiration date, and that the Government of Ceylon could only hold itself to account if it allowed the offer to lapse.) Subsequent discussion brought out that the Ceyonese still were hopeful that by some means the United States Government could backstop an "assured sales" program approaching 6,000 tons per month or 72,000 tons per annum. However, the Mission offered no constructive suggestions or new ideas.

Mr. Casto and Mr. Armstrong then offered informal suggestions as to how, within the framework of what might be possible and feasible, Ceylon could increase the volume of its dollar exports of rubber. There is a strong demand in the United States market for certain pale latex crepes (#1–x and #1 thick pale crepe). Ceylon could convert its facilities for producing sole crepe into facilities for thick pale crepes, increasing production of the latter from 1,900 tons to 3,000 tons per month. The G.S.A. would be prepared to help by contracting for 500 tons monthly over an 18- or 19-month period to offset the cost of installing extra equipment. Such equipment could be purchased in Singapore without a dollar outlay. Ceylon could thus realize an early increase in dollar earnings. Apart from the immediate benefits, this conversion would constitute a sound investment for Ceylon in adjusting to the future market pattern.

As regards dollar exports of sheet rubber, Mr. Casto pointed out that the Government of Ceylon's big problem is internal. Under the existing auction system, which has many advantages for the Ceylonese rubber trade, United States buyers constantly are being outbid by non-dollar buyers: the market thinking of the Ceylonese producers and exporters is, understandably, in terms of rupees. Even if a government-to-government agreement were still possible from other standpoints, its implementation in conformity with the auction system would be highly doubtful. Therefore the Government of Ceylon should decide whether the country's need for dollar exchange warrants some degree of interference with the auction system. Sir Oliver was asked whether the Government of Ceylon would consider it feasible to set aside some definite portion of total sheet exports for hard currency markets, possibly coupling this measure with some suitable incentive scheme for the producers, such as tax adjustments, to assure them substantially the same rupee yields ("take-home" pay) as if they had sold this sheet under the auction system. In this way, perhaps

1500 or 2000 tons of sheet could be marketed monthly for hard currency. It would be for the Government of Ceylon to decide whether the foregoing suggestions would be reasonably satisfactory financially and from the standpoint of acceptability to producers.

Sir Oliver responded that some such plan might be possible, particularly with the larger producers. He had appeared to be favorably disposed to consider the "thick pale crepe" suggestion.

There was some general discussion of such related topics as rice subsidies and the cost of living index (Sir Oliver anticipated it will be necessary to make sharp cuts in the subsidies), land use questions, and declining tea prices.

In response to the suggestion that Sir Oliver and his group might wish to give further thought to the points made by Mr. Casto, Sir Oliver requested continuance of the discussion at 4 p. m. July 23, a meeting subsequently cancelled.

446E.119/7–2852 : Telegram

The Secretary of State to the Embassy in Ceylon [1]

SECRET PRIORITY WASHINGTON, July 28, 1952—7:11 p. m.

35. No distribution outside Department. Pts made and results mtgs noted Deptel 25 rpt info London 436 [2] summarized by Goonetilleke and delegation in final meeting with Byroade and Thorp July 24.

1. Ceylon can get all flour desired on US market.

(*a*) Can expect get through US commercial channels 60–100,000 tons rice by Feb from oncoming crop. Because Japan contracts about 70,000 tons early delivery from this crop will be difficult Ceylon get 40,000 tons before Nov. Ceylon has arranged one cargo for Oct shipment and attempting more. Ceylon unwilling pay price 10.5 cents pound for CCC held rice which has dwindled from 7,000 to about 5,000 tons since talks began. Dept offered investigate possibility selling this rice at 9 cents which Ceylon wld pay.

(*b*) Re arrangements with trade for 5 year supply 200,000 tons US rice annually, Agri will take Ceylon demand into account in its regular advice to domestic producers on production planning. Ceylon approach to trade to contract for future years supply on large scale might affect price rather than supply.

2. Rubber discussion yielded:

(*a*) Goonetilleke view developed since previous rubber purchase discussion (1) China shipment brought 7 pence premium and falling world price most grades severely damaging Ceylon marginal producer; (2) Rice need by Ceylon is and will be near future in dollar area.

---

[1] This telegram was repeated for information to London as telegram 615.
[2] Dated July 19, p. 1528.

(*b*) US suggested (1) Ceylon produce more pale crepe, partly in lieu sole crepe now being produced; sure market exists in US, and necessary creping batteries easy to acquire; crepe sales could be expanded from 1900 per month to 2900–3000 per month in this way. (2) Greatest problem for GOC with Ceylon producers was relationship auction system to some form of channeling to dollar area, so might develop incentive plans for producers to make sales in dollar areas attractive. Goonetilleke noted these suggestions and appeared grateful for them.

(*c*) In intimate conversation with Dept officer Goonetilleke said wants assured sale 5,000 tons monthly and gave impression wld accept following: (1) Statement that crepe normally comes to US through regular channels, with reference to US–Ceylon consultation to attempt adjustment of flow crepe if drops below 2,500 tons, assuming Ceylon increases output to that figure. (2) US purchase residual amount 2,000–2,500 tons month sheet grades 1X to 3 for 21 months. (3) Wld accept Singapore price, no premium.

3. If legal requirements met US wld be able extend TCA aid $300,000. In face very severe cuts funds available most difficult increase this amt fiscal '53 but might find up to $200,000 additional for FY 53 if urgent situation develops which justifies this. Cannot commit Congress to five year program for Ceylon, but Goonetilleke informed that on basis present info Dept might consider recommending presentation to Congress program about one million for FY 54, which info might help Goonetilleke in his approach this problem. Goonetilleke said amt too small meet need of 50 million dollars US aid for program (designated as 6 year program in previous conversation) improve agri production—particularly rice—and meet his problem re rubber. Other than gen idea of 100 million dollars joint program (in addition to Ceylon 6 year plan) for improvement seed, tanks and implements, Goonetilleke did not present details, although at earlier meeting he stated that complete info cld be made available. Dept noted present lack basic info and availability of funds even if need proven and suggested best procedure wld be establish FY 53 pt 4 program, whereupon TCA mission working with GOC cld develop best program economic development.

4. Goonetilleke said he cld publicize and use for presentation cabinet US rice developments and rubber agreement in achieving embargo rubber Chi if US aid forthcoming in order 50 million dollars. He cld force rubber producers comply with embargo by administrative means. Dept informed Goonetilleke that Battle Act requirements wld be met if informal assurances given and shipping statistics proved no rubber shipped Chi. Dept said wld investigate matter of US aid possibilities but no assurances given re order magnitude mentioned by Goonetilleke. Goonetilleke said he arrives Colombo July 29 and hoped US aid info will be available then. Coomaraswamy mtg with TCA July 29 for further discussions aid matter. Goonetilleke read from tel from PriMin stating Commie Chi Amb at Rangoon had approached Ceylon Amb with offer 100,000 tons rice for sterling and hoped receive Ceylon delegation Peking discuss this and greater development trade; PriMin wished discuss matter with Goonetilleke upon his return.

Goonetilleke informed that full investigation possibilities above rubber agreement cannot proceed until Goonetilleke indicates GOC acceptance 2(*c*) above and willingness assure US no shipment rubber to Chi if rubber agreement signed. FYI Dept has not made proposal GSA who understood be very reluctant agreement now. Goonetilleke has been told that even if GOC accepts Dept is not sure it can arrange contract for rubber.

Emb shld mark any response this tel for Dept distribution only.

ACHESON

446E.119/7–3052 : Telegram

The Chargé in Ceylon (Gufler) to the Department of State[1]

SECRET COLOMBO, July 30, 1952—4 p. m.

46. For Emb info only. Dept distribution only. In lengthy conversation with Black and myself today, Goonetilleke, who arrived Colombo yesterday afternoon, made fol points directly bearing on Wash conversations (Deptel 35, July 28) :[2]

1. Altho he discussed results trip with PriMin he (Goonetilleke) must have firm proposals from Wash on rubber agreement and technical assistance before he can officially take up problems involved with cabinet. He had hoped they wld have been received here already. In reply to direct question, he confirmed he is awaiting proposals from Wash not planning to suggest terms to Wash.

2. He anticipates Wash will propose purchasing 5,000 tons (50 percent crepe, 50 percent number 1 and 2 sheet) monthly over two-year period according price formula based on Singapore market without premium. Transactions wld be through commercial channels but GOC wld have responsibility provide and US Govt to purchase residual quantities. Ceylon wld stop rubber shipment to Commie Chi on signing agreement. He proposes encouraging output crepe by immediately establishing cooperative factories for small producers.

3. He expects US agreement, subject necessary reservations future Congressional action, participate as equal partner his proposed five-year $100 million program. He appreciates US unable make binding commitment and willing accept necessary reservations.

When queried on discrepancy between his $100 million and Coomaraswamy's fifty rupee program, he replied benefits of smaller program wld not offset political disadvantage of having US aid mission in Ceylon.

4. As result UK dollar grant and projected purchases in US he satisfied Ceylon rice position balance 1952.

---

[1] This telegram was repeated to London as telegram 6.

[2] *Supra.*

213-752 O - 83 Vol XI - 99

5. He proposes to increase drastically price subsidized rice ration in order reduce GOC financial burden.

Altho Goonetilleke exuded cordiality and enthusiasm over reception received Wash and made repeated protestations friendship for US he did not fail make clear that other alternative exists. In this connection he mentioned (1) he had been unable persuade colleagues that GOC shld not accept invitation send rice mission to Commie Chi. MinComm favors mission, PriMin as yet undecided.

(2) USSR holding out bait possibility increased rubber purchases and again pressing send three "inspectors" Colombo to pass on rubber shipments. Thus far, GOC has refused.

(3) In conversations in London with Indonesian Amb and prominent Indians, he detected tendency consider that South and Southeast Asia shld not become involved in political differences between communism and West and that USSR and Chi shld be regarded not as military powers but as economic areas that cld supply Asia's basic economic requirements.

GUFLER

446E.119/7–3052 : Telegram

The Acting Secretary of State to the Embassy in Ceylon[1]

SECRET WASHINGTON, August 4, 1952—6 : 45 p. m.

45. Dept notes Goonetellike's comment necessary receive firm proposals (Embtel 46 July 30)[2] and suggests GOC be informed as follows:

1. Pleased Goonetellike satisfied rice position balance 1952. Dept desired be helpful without regard any other considerations. In this connection reference is made to PM's statement on Mission to China procure rice (Embtel 47 July 31)[3] and wonders if Dept Agri shld continue take Ceylon's needs into acct in its regular advice to producers planting in US (Deptel 35 July 28).[4]

2. At last mtg between Andrews[5] and Coomerswamy latter was given ltr signed by former. Substance as fols: Re ur desire for expression amt of aid, tentative allocation present fiscal year approximately 300,000 dols and possibly 500,000 if required. So far as future years concerned willing examine carefully GOC's needs economic development and discuss ways mtg. Believe GOC and US in best position

---

[1] This telegram was repeated to London for Armstrong as telegram 810.

[2] *Supra.*

[3] Telegram 47 from Colombo, not printed, reported the substance of the Prime Minister's recent public comments on Ceylon's planned trade mission to China. The Prime Minister had promised that Ceylon was not going to be limited in searching for sources of rice and that Ceylon would soon send a mission to China to negotiate a rice purchase. Ceylon's willingness to canvass all sources would apply to any other commodities of prime concern to the Ceylonese people. (400.46E9/7–3152)

[4] *Ante*, p. 1533.

[5] Stanley Andrews, Administrator of the Technical Cooperation Administration.

develop sound program if early agreement reached along lines June 16 ltr (Andrews to Coomerswamy).[6] FYI Goonetellike given no indication US able make any commitment his proposed five year 100 million dol program.

3. As to rubber contract Dept willing to discuss with GSA possibility reopening negots fol gen lines: Four thousand to five thousand tons monthly 50 percent pale crepe and 50 percent 1X–3 sheet; no commitment on crepe since this normally comes to US through regular channels but wld be willing have provision consult if amt drops below 2500 tons monthly; sheet wld flow through regular commercial channels, GOC obligating itself to deliver and GSA to buy any short-fall at Singapore prices; contract limited to 21 months on basis Aug is first month of commitment.

4. Dept desires indication from GOC that, in view of assistance on rice and willingness provide technical assistance this year and examine future needs this regard (see point 2), it will be prepared meet requirements Battle Act, especially to prevent shipment rubber to Commie China if rubber contract along lines para 3 above agreed upon. This indication necessary before Dept able to proceed discuss possibility rubber contract with GSA (Deptel 35 July 28). Latter very reluctant open question. Emb might wish point out to GOC that on occasion earlier discussions GOC willing embargo shipments rubber to Commie China if rubber contract agreed upon (Embtel 449 Jan 31).[7] Wld seem govt position stronger than before on basis election results and possibly unpopular action therefore easier to take.

5. Dept will await reply (per para 4 above) before taking any further steps.

Mark reply Dept distribution only.

BRUCE

[6] Not found in Department of State files.

[7] Telegram 449 from Colombo, not printed, reported that Vaithianathan had given the Embassy categorical assurances that Ceylon's rubber shipments to Communist China would stop the moment a rubber contract was signed with the United States (846E.2395/1-3152).

446E.939/8–1252 : Telegram

The Chargé in Ceylon (Gufler) to the Department of State[1]

SECRET COLOMBO, August 12, 1952—11 a. m.

65. For Dept distribution only. Substance Deptel 45 August 4,[2] yesterday discussed separately with Permanent Secretary MEA and Goonetilleke.

[1] This telegram was repeated to London for Armstrong as telegram 9, Embassy distribution only.

[2] *Supra.*

Permanent Secretary made little comment but during conversation stated Goonetilleke hoped if rubber agreement concluded US might grant Battle Act exception and permit GOC exchange for Chinese rice rubber not covered US Ceylon agreement. Goonetilleke later said he hoped for "fighting chance" for exception if rubber exchanged for much needed rice (we gave no encouragement to this hope).

Permanent Secretary said Chi Mission (Embtel 55, August 4)[3] wld leave end Aug–early Sept.[4] In reply direct question whether mission being sent in real expectation obtaining rice or to destroy basis for opposition claims re possibility effective Chinese help, Permanent Secretary replied the former.

Goonetilleke said (1) our info wld now enable him report to Cabinet on trip and he wld inform US shortly re GOC reaction. (2) He not so concerned with rubber agreement but requires substantial econ and tech aid in order "launch massive attack" on problem increasing local food supply which must be solved if conditions are to remain stable in Ceylon. $1,000,000 annually indicated by Wash as possible extent US participation insufficient to cope with problem. (3) He would appreciate US Dept Agri considering GOC requirements in advice US rice producers. (4) Prime Minister instructed Chi Mission not make any commitment but merely listen and report back any proposals. Both Minister Finance and himself consider only outside chance Chi will make rice available. Mission instructed request 150,000 tons but in his opinion will be lucky obtain 20,000. N. M. Perera, head of LSSP (Trotskyite party) requested permission accompany mission but Prime Minister refused.

I pointed out that additional rice might be available from Indo-Chinese States in return for recognition.

Goonetilleke said he appreciated this and had suggested recognition to Prime Minister. Fonseka [5] has been instructed visit Saigon and Prime Minister said if Vietnam makes satisfactory commitment provide rice, he would reconsider question recognition. However, PM relucant have GOC only Asiatic country extend recog.

Today's *Ceylon Daily News* carried a front page article by New Delhi correspondent which included quotation from spokesman Chinese Emb New Delhi, "America is trying get Ceylon rubber with-

---

[3] Telegram 55 from Colombo, not printed, indicated that the prospective Ceylonese mission to Communist China would deal with trade, not cultural matters, and it disclosed the tentative composition of the delegation. The telegram continued that if a rubber for rice exchange were agreed upon, the agreement would probably provide for Ceylon's purchase of Chinese rice at a fixed price, the proceeds of which would be used to buy Ceylonese rubber at the Colombo market price. The Government of Ceylon would not agree to any arrangement which could make Ceylon responsible for delivering rubber or otherwise acting as the agent for Peking. (446E.939/8–452)

[4] Telegram 115 from Colombo, Sept. 15, 1952, reported that the mission departed in two groups on Sept. 11 and 14, 1952 (446E.9331/9–1552).

[5] Deepal Susanta de Fonseka, Ceylon Minister to Burma.

out paying fair price. We (Chi) can take as much rubber as Ceylon can give and can give as much rice as Ceylon wants".

GUFLER

446E.119/8–1652 : Telegram

The Chargé in Ceylon (Gufler) to the Department of State [1]

SECRET COLOMBO, August 16, 1952—3 p.m.

72. Dept distribution only. PermSec MEA today orally gave official GOC reply US proposals (Deptel 65, Aug 12)[2] substance of reply was: GOC

1. Appreciates US assistance in rice procurement. PermSec stated GOC hopes purchase minimum 100,000 tons current US rice crop providing sufficient dollars available.
2. Is continuing to study US terms for rubber agreement.
3. Disappointed small current US appropriation for assistance to Ceylon and particularly that US did not give "greater encouragement" to Ceylon's requirements for economic aid in future.
4. Considering dim econ outlook and particularly falling prices Ceylon exports, GOC politically, economically unable take step, i.e., embargo rubber to Chi, which wld eliminate premiums now being paid by Chinese and result in throwing out of production estimated 100,000 acres marginal rubber holdings.
5. Regrets exceedingly it must reject US proposals as they fail to give GOC adequate political and economic justification for embargoing rubber to China.
6. Hopes under circumstances US will reconsider proposals, particularly in respect to amount of economic assistance.
7. Wld like US to realize China mission sent at invitation Chinese and GOC took no initiative. Cabinet considered, however, mission necessary from polit view point.

In discussing these points and in reply to direct questions PermSec stated:

a. GOC not vitally concerned with rubber agreement and considers greater economic assistance of more importance. Only rubber agreement plus economic aid would enable GOC justify embargoing rubber to Chi and to make such step acceptable to Parliament and public. (It was obvious during discussion that GOC thinking in terms substantial financial not tech assistance.)

b. Although Cabinet considers possibility conclude agreement with US prior return to Ceylon of Chi mission, it is unlikely GOC cld take any action on any proposals US might make unless they were sufficiently glowing to convince Cabinet they wld be acceptable to public.

We mentioned that prior to PriMin's death, rubber agreement alone had appeared sufficient justification embargo rubber to Chi and that

---

[1] This telegram was repeated to London for Armstrong, Embassy distribution only, as telegram 10.

[2] This reference is incorrect and should be either Deptel 45, Aug. 4, p. 1536, or Embtel 65, Aug. 12, *supra*.

it appeared evident that GOC had raised its price. We gave no encouragement that further proposals wld be forthcoming from US.

In conversation last night Goonetilleke emphasized to me that GOC reply would be in form which wld enable negots to be kept open. Today acting Gov Central Bank told Black that both bank and MinFin vitally interested in rubber agreement as dollar source. It is possible therefore, but not probable in view what we interpreted as flat rejection that GOC attitude ultimately may change.[2]

GUFLER

[2] The Department replied in telegram 72, Aug. 29, 1952, that it regretted that the Ceylon Government was not prepared to proceed on the basis of telegram 45 and hoped that it understood the great effort the United States had made in assisting it to overcome the difficulties in stopping rubber shipments to Communist China. The telegram continued that TCA was not prepared to go any further in its offer of aid than it had already done. (446E.119/8–1652)

446E.9331/9–1752 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

CONFIDENTIAL COLOMBO, September 17, 1952—noon.

120. Prior receipt Deptel 85 Sept 13 [1] I had expressed to Vaithianathan along line suggested therein, my regret that GOC was sending mission to Commie China and will at first opportunity express similar view to PriMin. Gufler and Black have also consistently made these points in conversations with responsible Ceylon officials and MEA is well aware our feeling on this subj.

We have not however issued press statement as local press fully aware US position and as previously reported is hinting we have brought strong pressure on GOC to prevent mission's departure. We therefore consider it unwise to stir up further controversy in which press wld in all probability be unanimous in attacking our position.

As long as present econ and food crisis prevails we must expect any measure taken by GOC holding forth any prospect obtaining additional rice and higher prices for Ceylon products especially rubber to be popular. Any efforts on our part criticize mission publicly wld therefore be likely produce contrary results and might also prevent us from obtaining on their return from otherwise friendly officials participating in mission frank reports their impressions. We can only hope these officials will learn at first hand some of dangers and difficulties involved

[1] Not printed; it requested that the Embassy express to the Ceylonese Ministry of External Affairs that it was regrettable that Ceylon was pursuing negotiations with Communist China which would not only hurt the free world effort in Korea but would also result in subjecting Ceylon to the political designs of the Communist bloc (446E.9331/9–1352).

in dealing with Commie dictatorships and we have reason believe that more responsible members govt share this feeling.

SATTERTHWAITE

846E.2562/9–1852 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

CONFIDENTIAL COLOMBO, September 18, 1952—9 a. m.

123. US position in not making US sulphur available to Ceylon understood and generally accepted here. I believe, however, there would be the most adverse reaction on part both GOC and public if US activity in attempting bar exports from other sources were known.

Appointed MP formerly official Planters Association advised Black re what MP characterized as "serious charge" made to him by important local planter that US Govt actively engaged in preventing other countries supplying Ceylon with sulphur. Black replied that Emb had confined itself to reporting sulphur situation and that Emb had received no protests from any local importers.

Press reports Min Justice Rajapakse [1] subsequently informed Senate in reply to question that he was not aware US Govt had obstructed GOC in obtaining sulphur because GOC has permitted sale rubber Chi.

It is becoming increasingly evident that our policy withholding sulphur has failed achieve objective halting Chi rubber shipments. In circumstances Dept may wish review this policy particularly re efforts being made deprive Ceylon of sulphur of non-Amer origin.

SATTERTHWAITE

[1] Sir Lalita Abhaya Rahapakse.

493.46E9/9–1952 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

SECRET COLOMBO, September 19, 1952—11 a. m.

124. Had first serious talk since my return with PriMin Dudley Senanayake yesterday. Said I had followed elections with interest and was of course pleased with outcome. I had however been out touch with Ceylon affairs during last six weeks my absence [1] and was therefore very disappointed learn on arrival that our govts had reached no

[1] Ambassador Satterthwaite had taken home leave to the United States from late June to late August 1952.

agreement on rubber which was going to Chi in ever increasing quantities and that official Ceylon mission was now in Chi one member of which had reportedly told press in Singapore that Ceylon was ready sell its entire rubber crop to Chi.

PriMin at once protested mission was authorized only investigate and report and had been sent in reply to Chinese invitation only under dire political necessity of exploring every offer rice. If possibility obtaining Chinese rice were not explored and if present profitable sales rubber to Chi were now shut off rice consumers and rubber producers wld rise up and overthrow this govt.

I said I understood and sympathized with his difficulties in view present econ crisis confronting Ceylon. I hoped however he realized that any free country entering into the close relations with a Commie country of kind so enthusiastically described in press interviews by mission leader is in serious danger falling into Commie clutches both politically and economically. I hoped he wld also keep in mind reaction any such agreement wld have on US public opinion. Our soldiers have been dying for over two years in defense very objectives which he had advocated so successfully in his own political campaign. He shld keep in mind also that rubber is commodity most urgently needed by Commie China and was going directly into its war machine. Moreover Ceylon's ever increasing commercial relations with Chi were being anxiously watched by Indonesia and Malaya who were observing UN resolution.

It was unfortunate I continued he had not been present at talks concerning rubber shipments I had had with his father and which latter had had with his advisers. While his father felt very strongly that Ceylon's rubber shld be sold on free market he had nevertheless mentioned several times to me his concern over moral issue involved. He had also assured me his govt wld have nothing do with rubber-rice barter deal reportedly offered GOC by Commie Chi about year ago. To this PriMin made curious reply that Food Min had told him only reason this proposal was not accepted was because investigation indicated Chi actually had no rice available.

PriMin did however seem genuinely concerned over failure our recent negots and said he had sent Goonetilleke to Wash because of importance he attached to reaching agreement with US. Unfortunately assistance we had offered Ceylon as compared with that being made other countries in Asia made it politically impossible for him accept our last proposal. He hoped we wld realize seriousness econ crisis facing his govt re which he must face Parl next week. He concluded by saying he wld like discuss situation at greater length with me after this debate had been completed.

SATTERTHWAITE

846E.2562/9–1852 : Telegram

The Secretary of State to the Embassy in Ceylon

CONFIDENTIAL WASHINGTON, October 2, 1952—1:05 p. m.

107. Embtel 123.[1] Dept has kept constantly under review possibility revising dusting sulphur policy and concurs statement re failure to date halt rubber shipment Commie Chi. But in view fact annual requirement is 6,000 tons (Embtel 125)[2] and estimated quantity shipped or licensed thus far 1952 by other supplying countries about 3500 tons, welcome further Emb views on possible results further efforts stop rubber shipments through joint efforts restrict dusting sulphur supplies.

Dept has tried obtain assurances from principal supplying countries re limitation shipments dusting sulphur with varying degrees success. Latest positions indicated in Rome tel 854,[3] Paris tel 1812,[4] London tel 815.[5] Doubtful that further approaches along these lines wld meet our objective of having firm policy decision re future shipments.

Dept therefore considering whether there is better chance of achieving objective through joint action (not through Additional Measures Comite) based on proposition that limitation sulphur shipments necessary to make effective UN strategic embargo resolution May 18, 1951 because sulphur availability directly related rubber production. Purpose in seeking such joint action wld be avoid appearance unilateral pressure by US.

Dept emphasizes foregoing thinking entirely tentative.

Desire Emb evaluation of net advantages or disadvantages to achievement US aims—especially halting rubber shipments Commie

---

[1] Dated Sept. 18, p. 1541.

[2] Telegram 125 from Colombo, Sept. 22, 1952, stated that the Ceylonese Government had estimated the annual sulphur requirement to be 6,000 tons and had informed rubber producers that they should expect no difficulty in meeting their sulphur needs. As a result of the Rubber Research Board's 1951 report commenting on a particularly severe oidium season, the Ceylonese Government on Sept. 17 had ordered compulsory sulphur dusting of most categories of rubber trees. (846E.2562/9–2252)

[3] Telegram 854 from Rome, Aug. 27, 1952, stated that Ceylon could purchase refined sulphur through regular Italian trade channels. The Italian Foreign Office reported that two Italian companies held valid licenses for the exportation of 1,000 tons of dusting sulphur each and indicated that no additional licenses would be issued. (446E.119/8–2752)

[4] Telegram 1812 from Paris, Sept. 23, 1952, stated that French export licensing authorities said that it would be very difficult to refuse export licenses for French black sulphur destined for Ceylon in view of the apparent failure of other countries to stop such exports. They continued that black sulphur producers were now clamoring for additional licenses and that it would be unfair to penalize them while exporters in other countries were taking advantage of the Ceylon situation. (446E.519/9–2352)

[5] Telegram 815 from London, Aug. 13, 1952, stated that a recent letter from the British Foreign Office to the Embassy indicated that the Ceylonese were promised refined sulphur "up to 500 tons only." The letter further stated that the last license was issued July 10, bringing the total to 500, and that the Ceylonese had been told that thereafter they had to look to the International Materials Conference for further sulphur supplies. (846E.2562/8–1352)

Chi—inherent above suggested action: (*a*) if resulting eventually in complete sulphur embargo, (*b*) if resulting in partial but damaging embargo, (*c*) if largely ineffective; under assumption Ceylon becomes aware other supplying countries withhold dusting sulphur in support UN resolution.

Dept understands Commie Chi net sulphur importer therefore not likely be able supply substantial quantities sulphur Ceylon.

ACHESON

446E.119/10–452 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State

CONFIDENTIAL COLOMBO, October 4, 1952—11 a.m.

150. Following is Embassy's evaluation net results endeavoring deprive Ceylon of dusting sulphur requested Deptel 107, Oct 2:[1]

1. Stopping of sulphur shipments to Ceylon was temporary device to achieve an immediate specific objective. Our long-term policies will not be served by imparing Ceylon rubber production or injuring Ceylon economy.

2. Exceedingly unlikely any action re sulphur, even assuming all exports to Ceylon could be stopped, would succeed in halting rubber shipments to Chi.

3. Irrespective fact that future embargo on sulphur exports Ceylon might be imposed by joint action, it would be difficult if not impossible avoid impression embargo was result US pressure. Reaction certainly would be violent in Ceylon and our position in other sulphur producing areas would be embarrassing (Paris 1994 Oct 1).[2]

4. From practical point view, although GOC estimated 6,000 tons sulphur would be required for compulsory dusting program (Embtel 125 Sept 22),[3] the 3,500 tons which Deptel 107 reported have been shipped or licensed thus far 1952 by other supplying countries will be sufficient tide over coming spraying season and demand therefor will not again become urgent for another year. In this connection it should be noted that small holders specifically exempted from provisions compulsory dusting requirement and Emb considers great majority Ceylonese producers in whose support GOC is interested are more concerned with short-term prospect of premium prices for

[1] *Supra.*

[2] Telegram 1994 from Paris, not printed, pointed out the embarrassing circumstances of the French Government's refusal to grant an export license to a French exporter of black sulphur to Ceylon. The exporter, convinced that the American Embassy was instrumental in the refusal, protested vigorously to the Consul General at Marseilles and supplied extensive statistics showing sulphur shipments to Ceylon from the United States as well as from other European countries. The Consul General was placed in a difficult position because the exporter was a leader in a pro-American organization in Marseilles. The telegram concluded that in view of the businessman's influence in economic circles and the fact that Ceylon provided the only market for most of France's black sulphur production, the French decision to embargo sulphur shipments to Ceylon would probably be reversed sometime in the future. (446E.519/10–152)

[3] See footnote 2, *supra.*

their rubber than with long-term consequences of not receiving sulphur.

It is therefore Embassy's considered view that it would be in our best interest to abandon efforts deprive Ceylon of sulphur of non-American origin.

SATTERTHWAITE

446E.9331/10–2052 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State [1]

SECRET COLOMBO, October 20, 1952—5 p. m.

181. Min Food Goonetilleke today gave Black in strictest confidence fol details re Chi rice-rubber proposal (Embtel 179, Oct 20).[2]

1. Chi will supply 200,000 tons rice annually at cost 56 pounds sterling per ton f.o.b. This will be in addition to 80,000 tons already agreed upon.

2. Chi will buy any quantities No. 1, 2 and 3 sheet rubber offered up to 50,000 tons annually at average price of Rs 1.75 per pound f.o.b. In event world price rises above Rs 1.75 GOC can renegotiate price. Rubber will continue to be sold through Ceylon commercial channels.

3. Although agreement theoretically for five years, quantities and prices of both commodities will be negotiated annually.

4. GOC has no intention permit Chi station either trade or diplomatic reps in Ceylon. Mission chief Senanayake rejected categorically Chi request permit Chi agent reside Colombo to pass on rubber shipments.

Goonetilleke said there is no question whatsoever but that Cab will approve agreement and he himself has recommended such action. He asked that in reporting matter to Wash Emb shld emphasize:

(*a*) GOC has no alternative but to sign agreement. Providing rice for people is surest way to maintain present govt and there is no danger of opposition parties taking over in Ceylon.

(*b*) Signing of pact shld not be construed as indicating increase in GOC's sympathy for Commies. GOC stands and will stand "staunchly on side of West."

Goonetilleke said US "shld not worry over implications of agreement as we in Ceylon have ways of slightly tricking our enemies."

According Goonetilleke, Brit Consul General Peking informed mission chief Senanayake that Chi use rubber for civilian purposes is expanding greatly and obviously there is no shortage or restrictions on civilian use wld have been imposed. This made strong impression on Senanayake who used it in presenting proposals to Cab.

---

[1] This telegram was repeated to London for information as telegram 21.

[2] Telegram 179 from Colombo, not printed, quoted local newspapers reporting on the details of the Ceylon-Chinese negotiations (446E.9331/10–2052).

Emb considers such statements re "civilian" consumption in Commie controlled economies to be meaningless. Furthermore, statement inconsistent with Chi willingness contract year in advance pay premium price crude rubber.

SATTERTHWAITE

446E.9831/10–2552 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State[1]

COLOMBO, October 21, 1952.

187. Re Embtel 179, Oct 20.[2] *Times Ceylon* Oct 21 carried full text fol documents:

1. Purchase contract for 80,000 tons Chinese rice signed by Ceylon mission in Peking on Oct 4, price Rs. 720 per ton f.o.b.[3] Proceeds from sale to be deposited in Bank Ceylon for account Bank China, Peking. GOC shall ensure seller free use funds to purchase and export rubber and/or other Ceylon products.

2. Preliminary report to cabinet of mission chief Senanayake presented on Oct 17. This outlined all proposals and emphasized benefits to Ceylon. "Rice described as excellent quality much superior to Burma". In conclusion Senanayake stated "We note on Chinese side absence of spirit of bargaining and haggling on comparatively small points".

3. Trade agreement between Ceylon and China approved by Ceylon cabinet on Oct 17. This loose agreement (for one year but may be extended as agreed) with no contractual obligations and merely expresses desire to promote trade between two countries. Lists of commodities available for export by each country were annexed among such items exportable from China to Ceylon is sulphur with target figure of 2,000 metric tons. Article I states trade between two countries expected reach annual volume approximately Rs. 250 million on each side. Article V provides all payments for trade between two countries shall be conducted in Ceylon rupees.

4. Separate memos on long-term proposals re rubber and rice presently under consideration by Ceylon cabinet. Govt China agrees purchase 50,000 tons sheet rubber each year for 5 years beginning 1953 and GOC agrees permit exportation this quantity. Govt China agrees pay price in excess average Singapore f.o.b. price. Two govts will fix

---

[1] This telegram was repeated for information to London as telegram 35.

[2] See footnote 2, *supra*.

[3] The price, converted to American currency, was $1.51 per ton or roughly 7.6 U.S. cents per pound. The average price Ceylon paid for rice increased dramatically from 5.6 cents per pound in 1951 to 7.7 cents in 1952, insurance and freight included. Ceylon Department of Commerce, *Thirty Years Trade Statistics of Ceylon (1925–1954)*, Part V, p. 1782.

price for one year at a time. If during this period world market price (Singapore f.o.b. price) exceeds price already fixed Govt China agrees to negotiate new price providing GOC makes request this effect. Price for year commencing from date rubber agreement is concluded shall be 32D [4] per pound f.o.b. Colombo. Pending decision of two govts on this proposal GOC "is to undertake that there will be no interference with export of rubber to China". Rice agreement is for five year period beginning 1953. GOC agrees purchase and Govt China to sell each year 200,000 metric tons rice. Two govts will fix price for one year at a time. During this period if GOC makes request for renegotiation of rubber price for same period GOC agrees to negotiate new price for rice if requested by China. Price for rice commencing on conclusion of agreement shall be 56 pounds sterling per metric ton f.o.b.

Emb airpouching copies all documents.

SATTERTHWAITE

[4] The price was 37 cents per pound in U.S. currency. The world or Singapore price of rubber had declined precipitously in 1952, falling from 46 U.S. cents per pound in January to 25 cents in October when the agreement was signed. The Chinese offering price was therefore considered particularly attractive to Ceylonese rubber producers. (The Secretariat of the International Rubber Study Group, London, *Rubber Statistical Bulletin*, vol. VII, No. 9, June, 1953, p. 37)

446E.119/10–2252

Memorandum by M. G. Lyon of the Office of International Trade to the Chairman of the Operating Committee (Sawyer) [1]

SECRET [WASHINGTON,] October 22, 1952.

OC Document 950

Subject: Expansion of Program Determination 810 [2] to Cover Problems Raised by Ceylon's Export of Rubber to Communist China

Discussion:

Ceylon is at present the principal source of rubber for Communist China. Ceylon is not a member of the U. N. and did not commit itself to adhere to the U. N. embargo of May 1951 on shipments of rubber to Communist China as did Malaya and Indonesia.

[1] The Office of International Trade (OIT) was one of the four major branches of the Bureau of Foreign and Domestic Commerce in the Department of Commerce.

The Operating Committee (OC) was an interdepartmental advisory group headed by the Secretary of Commerce and consisted of representatives from the Mutual Security Agency and the Departments of Commerce, Agriculture, and Defense as well as State. The committee, part of the larger Advisory Committee on Export Policy (ACEP), met approximately twice a week and concerned itself primarily with problems of licensing and export control.

[2] Program Determination 810 set forth U.S. export policy with regard to the shipment of strategic materials to friendly foreign countries. No copy of the original document was found in Department of State files although Revision 1, dated Aug. 3, 1953, is available from the Department of Commerce.

In the absence of an agreement to embargo rubber to Communist China, the U.S. entered into negotiations with the Government of Ceylon to impose destinational controls. Despite advance warnings by the U.S. that continuation of rubber shipments to Communist China might precipitate the denial of economic aid to that country, Ceylon continued such shipments and aid was terminated in October 1951 under provisions of the Kem Amendment (Public Law 45, Section 1302).

The Kem Amendment was superseded by the Battle Act (Public Law 213), the provisions of which likewise provided for suspension of economic aid to nations supplying a specified list of strategic commodities to the Soviet Bloc. Rubber is one of the commodities included in Title II of this Act. Nations exporting Title II commodities to the Soviet Bloc can receive aid under the Act if negotiations between such countries and the U.S. for cessation of such shipments are concluded favorably. Since negotiations with Ceylon regarding discontinuance of rubber shipments to Communist China were not successfully concluded, aid to that country has not been resumed.

OIT in consultation with interested agencies issued, in the Export Control Manual, on January 11, 1952, Section G–12, "Applications for Shipments to Ceylon". G–12 details the treatment to be accorded all "Applicants for Shipments of Refined Sulphur or any Other Commodity Directly Related to the Production of Rubber". As a result of this instruction, applications for shipment of 1738 tons of dusting sulphur, which have been received, have been rejected or are still pending in OIT during 1952.

Prior to the death of its late Prime Minister in March 1952, Ceylon had indicated that it was prepared to negotiate, pursuant to the Battle Act, regarding possible suspension of further shipments of rubber to China, provided a suitable *quid pro quo* could be worked out. Ceylon considered a rubber buying agreement by the U.S. as an essential element of such *quid pro quo* and negotiations conducted by the Department of State were progressing satisfactorily when interrupted by the death of the Prime Minister. The caretaker government did not continue the negotiations. Meanwhile rubber purchases by the U.S. Government have ceased and if resumed could only be on a token basis at most.

Meanwhile rubber shipments to China have continued at an accelerating rate and amounted to 20.2 percent by quantity of all rubber exports during the period September 1951 to June 1952, compared with less than 1 percent in prior years to all Soviet Bloc countries. During August 1952, rubber shipments to China totalled 2400 long tons, equivalent to 38.7 percent of Ceylon's rubber exports; this was exclusively sheet rubber, amounting to 92.2 percent of exports of that commodity. The price differential offered by China amounted to 36.9 percent

(weighted average) over Singapore prices for the period from October 2, 1951, to August 15, 1952.

The U.S. share of Ceylon's rubber exports have decreased from 59 percent of total exports in 1947 to 15 percent for the period September 1951 to June 1952, whereas U.S. exports to Ceylon have increased substantially in the postwar period.

During the late spring of 1952 it became obvious that Ceylon would intensify its attempts to obtain U.S. sulphur for its rapidly deteriorating rubber plantations. A number of direct and indirect approaches were made to OIT to permit export of a minimum of 1200 tons of dusting sulphur urgently needed for the current crop year (commencing in December). After consultations by the Office of International Trade with representatives of the Department of State, including the U.S. Ambassador to Ceylon, it was decided to continue the existing U.S. policy of denying export of dusting sulphur for the time being, in view of continuation of rubber shipments by Ceylon to China. Latest information on Ceylonese requirements from the Government of Ceylon indicates an estimate of 6000 tons of sulphur needed annually to implement a new Government of Ceylon order making dusting of rubber trees mandatory.

In June 1952, The Government of Ceylon made representations to the French and British to obtain shipments of dusting sulphur. The Governments of France and the United Kingdom were apprised informally by the U.S. Government of its concern over any such shipments. The United Kingdom, in spite of known U.S. desires to the contrary, issued export licenses and shipped 500 long tons of refined sulphur to Ceylon (all of which is presumed to have been refined from crude sulphur of U.S. origin). The Government of France, contrary to previous assurances to the U.S. Embassy at Paris and after making reference to the U.K. licenses, issued export licenses for the shipment of dusting sulphur to Ceylon; during August and the first week of September, Ceylon received 255 long tons of dusting sulphur (presumably of U.S. origin). The Italian Government, understood to be prepared to license refined sulphur shipments to Ceylon, was requested to withhold export licenses. The Government of Italy informed the U.S. Embassy at Rome that licenses in an amount of 2000 long-tons of sulphur had been issued; shipment of 325 tons was received in Ceylon during the first week of September. As a result of a U.S. request to the Italian Foreign Ministry, assurances were received that half of the quantity licensed would temporarily be withheld from shipment. Meanwhile U.S. dusting sulphur exporters have learned from their Ceylonese business associates that Ceylon was importing sizeable quantities of dusting and refined sulphur, presumably of U.S. origin. U.S. merchants have advised OIT that this was grossly unfair if true. Only recently the Government of Canada approached OIT to request infor-

mation regarding U.S. policies on licensing sulphur to Ceylon, since many applications are now pending in Ottawa for exports of Canadian (U.S. origin) sulphur to Ceylon.

Total shipments of sulphur completed or assured are estimated by the U.S. Embassy, Colombo, at 3500 tons to date. A further fact, not directly related to rubber or dusting sulphur but very pertinent to the problem, is that Ceylon, which in July indicated its desire to purchase U.S. rice, has failed to place any contracts as of the end of August, while simultaneously negotiating a rice-rubber barter agreement with Communist China. In the meantime, the U.S. decided to place all rice exports on a quota basis and arranged a quota for the August–December 1952 period of 1,125,000 bags (100 lb. bags) for Ceylon. (Total U.S. export quota for this period—7,280,000 bags). As a further point of interest, Ceylon now appears to have met its rice while Indonesia and Hong Kong are seriously short of their annual requirements. (Indonesia is abiding by the U.N. embargo on rubber shipments to Communist China and the U.S. Ambassador at Djakarta has requested explanation of preferential treatment of Ceylon vis-à-vis Indonesia in view of Ceylonese shipments of rubber to China.)

It is clear from information obtained from Ceylon that our policy was approaching fruition and imposition of destinational controls was imminent until Ceylon received sulphur supplies from the United Kingdom (in spite of our known concern), after which other sulphur suppliers saw no further need to consider U.S. desires in the matter.

Recommendations:

It would appear from the above that the steps taken by OIT in denying licenses have not been and cannot be successful by themselves in accomplishing the desired result. The OIT believes that trade controls are not the complete answer to our economic defense program. OIT further recognizes that success in our efforts to divert Ceylon's rubber from Communist China depends on successful parallel action by other supplier nations and the development of free world markets for rubber.

OIT therefore proposes adoption of the three following courses of action. It should be clearly understood that these three recommended lines of action cannot be successful unless there is effective implementation of each of them:

I. *Unilateral Trade Control Measures*

a. That OIT continue to deny applications for export to Ceylon of commodities directly related to the production of rubber, including sulphur and sulphur formulations.

b. That OIT redefine items embargoed for export to Ceylon to include any commodities used in the growing, processing, and shipping of raw rubber.

c. That OIT place on the denial screen all Ceylonese firms known to be selling or shipping rubber to Communist China with the result

that no licenses for any commodities are issued to these consignees until they are removed from this screen.

II. *Multilateral Trade Control Measures*

a. That the U.S. Delegation in COCOM [3] be instructed to request through appropriate COCOM channels that the international rating of crude rubber be increased from International List III to International List II.[4]

b. That the U.S. Delegation in COCOM be instructed to request through COCOM the adoption of trade control measures similar to those mentioned in (I) by all the participating countries.

c. That the U.S. without awaiting the outcome of discussions in COCOM, approach the United Kingdom, France, Italy, Canada, Belgium, and Western Germany, on a bilateral basis, conveying to those countries the U.S. position as expressed under (I) above, and advising those countries of the seriousness with which we view rubber shipments to the Bloc, and especially those made to Communist China by Ceylon.

III. *Trade Promotion*

That the U.S. Government shall give active and immediate consideration to the problem of expanding and stabilizing the free world market for natural rubber. OIT believes that until a solution to this phase of the problem is found, actions suggested above in (I) and (II) will not lead to a wholly satisfactory solution of the problem.

In addition to the three types of action listed above, OIT recommends that PD 810 be amended to permit OIT in cases of extreme importance and after consultation with other interested agencies, to curtail exports of any commodity going to a friendly country if that country, contrary to U.S. policy, is shipping a similar commodity to a second friendly country where the material is being used to produce strategic items for shipment to the Soviet Bloc. Such authority could then be used by OIT, if after a reasonable time it becomes obvious that action pursuant to (II) above does not meet with full cooperation.

In making these suggestions the OIT believes that unilateral action on the part of the United States will not be sufficient to solve this problem, as has been demonstrated in recent developments outlined above. OIT believes, however, that it would be a mistake to abandon our present policy, even though it has not as yet been effective, while attempting to secure multilateral action in COCOM. If we should abandon our present embargo on sulphur and similar items while waiting upon international cooperation, we would lose much of the force behind our case in COCOM and would undoubtedly convince other participating countries that we are not seriously interested in achiev-

[3] The Coordinating Committee (COCOM) was established in 1949 to perform the day-to-day task of coordinating free world trade controls. It was a working committee subordinate to the Consultative Group, which consisted of most of the nations of Western Europe, Turkey, Japan, and the United States. For further general discussion, see the Ninth Semi-Annual Report to Congress on operations under the Mutual Defense Assistance Control Act of 1951 entitled "The Strategic Trade Control System, 1948–1956".

[4] See footnote 4, p. 1588.

ing the desired objective. In making these recommendations, OIT is aware that previous efforts to have the strategic rating of rubber upgraded have met with opposition from the United Kingdom. It is felt however, that if the Ceylon shipments of rubber to Communist China continue there is a grave danger that Indonesia may abandon its present embargo on rubber to Communist China. Such a development might well be the beginning of the end of the U.N. embargo of May, 1951, on strategic items to Communist China. At the same time, it must be recognized that the embargo of rubber to Communist China cannot be effective as long as the United Kingdom and other countries feel free to ship rubber in practically unlimited quantities to the European Soviet Bloc, since the transshipment of such rubber or products made from it, from Eastern Europe to Comunist China does not present an insurmountable obstacle.

446E.0331/10–2252 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State [1]

SECRET COLOMBO, October 22, 1952—5 p. m.

191. There has been considerable speculation locally both as to why Chi shld have made such seemingly over generous proposals to Ceylon (Embtel 187 Oct 21)[2] and as to full implications of proposals.

In Emb's opinion GOC wld have been content accept any substantial quantity rice Chi might have offered at reasonable price and in return guarantee continued free rubber market in Ceylon. Chi in Sept took over 94 per cent Ceylon's sheet rubber exports at premium price of 5D to 6D [3] per pound. Competition among shippers has been reducing premium and there is reason suppose that shippers wld be willing sell all sheet to Chi for considerably less than present premium. Trade sees no factors (excluding war which wld obviously nullify agreement) which during next twelve months wld result in marked improvement in natural rubber prices.

In circumstances, it is reasonable assumption that Chi rice-rubber proposals, which apparently so favorable to Ceylon, were motivated by political factors and not by necessity ensuring rubber supplies. These political motivations may include any or all of fol:

1. To achieve propaganda victory over democratic countries which will be exploited specifically by strengthening position local Commie

---

[1] This telegram was repeated to London for information as telegram 37.

[2] *Ante*, p. 1546.

[3] These figures are undoubtedly erroneous since the rubber price in 1952 did not decline below 23 cents per pound in any market (see *Rubber Statistical Bulletins*, 1952–1953). The sender may mean that the Chinese took over 94 percent of Ceylon's rubber at 5D or 6D (6 or 7 cents) per pound over the market price.

Party in Ceylon and generally by creating pressure in other Asian and European countries for greater trade and closer relations with Chi in view generous terms granted by latter. Agreement also may be exploited by Chi for domestic propaganda purposes.

2. As soon as pattern is established and Ceylon's dependence on Chi as source rice and market for rubber confirmed, Chi expect apply pressure on GOC to permit trade or diplomatic mission in Ceylon (this mission wld actively assist local Commie Party, and what is more important, be in position extend influence to South India where Commie Party already important.

3. Because GOC willingness ship rubber contrary GA resolution and send high level mission to Chi, Commie Chi may have considered there is strong latent pro-Commie sympathy among high GOC officials which can be successfully strengthened and exploited.

4. Commies may have feared that US wld conclude rubber agreement with GOC which wld result in latter embargoing Chi shipments, therefore willing pay price high enough assure GOC wld "stay bought". It is difficult define future trend with any accuracy. At this time, however, Emb considers fol:

(*a*) GOC will ratify agreements.

(*b*) GOC will take line in justification that prolonged negotiations had been carried on with US but latter always quibbled over minor points. Despite this, before turning to Chi, GOC sent Goonetilleke mission to US to ask for aid which was refused; therefore, GOC forced to turn to Chi.

(*c*) Chi will meticulously fulfill obligation supply rice at least until able appraise fully propaganda and other results of gesture.

(*d*) GOC is arrogant and confident of ability to handle Commies and feast on bait without getting caught. However, GOC might well balk and even repudiate agreements in event Commies, Chinese or local, move toward their probable objectives in too open or abrupt a manner. Although GOC not unwilling flirt with Commie Chi, key personalities in govt still believe be definitely anti-Commie and some at least recognize basic realities.

Emb suggests Dept request other posts such as Moscow, Taipei, and Hong Kong for their appraisal Chi motives.

SATTERTHWAITE

446E.9331/10–2352: Telegram

The Acting Secretary of State to the Embassy in Ceylon [1]

SECRET PRIORITY WASHINGTON, October 23, 1952—6: 39 p. m.

129. Dept commends Emb on speed and detail its reports Ceylon mission to China.

Dept believes you shld follow up ur frequent discussions US views re Ceylon rubber trade with Chi Commies and latest Chi Commie proposals, by conveying to PriMin and other key GOC officials US views

---

[1] This telegram was repeated to London as telegram 2872, to Paris as 2385, to Rangoon as 601, to Djakarta as 621, to Singapore as 453, and to New Delhi as 1216.

along fol lines. Dept knows you familiar these points and no doubt have stated them on previous occasions but believes wld be helpful for you repeat them as views US Govt. Dept leaves ur discretion whether approach shld be formal, informal, oral or written, and you of course at liberty modify or expand as you consider appropriate:

1. US Govt greatly concerned re danger of Ceylon's econ dependence on Commie Chi particularly for food supplies if proposed five year agreement made. US Govt notes that under proposals one half Ceylon's rubber production and all sheet rubber wld be allocated Commie Chi and wonders whether GOC has considered long term effects (*a*) depriving itself important dollar earner and (*b*) consequent modification present trade channels for rice supplies. Believe it entirely probable, if agreement ratified, that in due course, Ceylon wld find itself at mercy Chi Commies and obliged accept their terms which wld most likely be disadvantageous instead of favorable.

2. It evident to US Govt that Chi Commie offer not made primarily out of econ considerations, but motivated basically polit factors including breach of UN embargo. US Govt urges GOC carefully consider use which Commies wld most probably make of propaganda on deal in Ceylon to strengthen position Ceylon Commie party and use Chi Commies cld make of agreement to create pressure other countries for closer trade and polit relations with Peiping.

3. US Govt convinced Chi Commie auths, under cloak of proposed agreement if ratified, and when pattern established in which Ceylon dependent on Commie Chi for supplies rice and market for rubber, will require that trade or dipl mission be established Colombo. Such mission, as in case other non-Commie countries which have entered into formal relations with Commie Chi, wld most probably actively assist local Commie party in latter's effort overthrow democratic Govt Ceylon, and serve as base for operations in nearby countries where Commie parties significant force. US Govt doubts that GOC wld be able long resist Chi Commie pressure opening up regular relations with Ceylon.

4. US Govt recalls impressive victory UNP over Commies recent election, which fought basically on issues democracy versus totalitarianism, Ceylon nationalism versus internatl communism. Frequently voiced principles and views Ceylon's leaders have associated Ceylon with other nations of free world and formed firm basis for friendly US–Ceylon relations. Views and assurances solidarity with free nations which have characterized UNP and GOC pronouncements were weakened by continued shipments strategic material to UN-named aggressor and now appear vitiated by most recent action involving possibility formalization this trade thereby contributing, even more than in past, to buttressing milit effort of aggressor in Korea which costing thousands lives Amer and other UN forces fighting there. US Govt regrets that late PriMin's and present PriMin's assurances that Ceylon was searching for means stopping rubber shipments wld lose force in light present development if confirmed.

5. If you consider useful you might recall numerous US efforts assist Ceylon meet food crisis and solve problem rubber exports.

6. US Govt notes that 80,000 ton rice-rubber agreement already signed. In spirit of friendship which animates our relations US urges GOC study most carefully probable ramifications present Chi Commie

proposals and implications for welfare independence Ceylon. US Govt earnestly hopes GOC will decide after mature consideration not enter into long term agreement with Chi Commie auths. US convinced such agreement wld result in linking Ceylon's economy inextricably with that of Commie Chi to Ceylon's ultimate disadvantage and in penetration of Ceylon by external communists who with willing helpers in Ceylon wld endanger democratic institutions of country.

FYI Dept repeating Embtels 191,[2] 187,[3] and 181[4] Rangoon, Djakarta, New Delhi, Singapore and Paris for info and for comment to Dept and Colombo on official and public reaction this matter. Dept wld appreciate info re exact terms trade agreement as signed (i.e. prices, deliveries etc) and all possible details five year proposal, including timing. Also desire info on place graphite and other commodities in recent discussions since only passing ref made in press reports.

BRUCE

[2] *Supra.*
[3] Dated Oct. 21, p. 1546.
[4] Dated Oct. 20, p. 1545.

446E.9331/10–2752 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State[1]

SECRET PRIORITY COLOMBO, October 27, 1952—6 p. m.

203. I have just conveyed orally to PriMin US views re Commie Chinese rice-rubber proposals substantially as set forth in Deptel 129, Oct 23.[2] Perm Sec Vaithianathan and Black also present.

In subsequent discussion PriMin.

(1) Gave categorical assurances his intention to continue fight on Communism.

(2) Stated he had given most serious consideration to all implications rice-rubber proposals and while he is not particularly happy about situation, can see no satisfactory explanation to electorate if govt rejects them.

(3) Pointed out that proposals offer solution to 3 most critical politic-econ problems confronting Ceylon today, i.e., assurance adequate rice supply, necessity obtaining econ price for rubber and amelioration balance of payments position. He emphasized that surest way for GOC to play into hands local Commies wld be to reject this solution. He had sent Min Food Goonetilleke to US in effort to obtain our aid in solving these problems but aid had not been forthcoming to degree necessary.

(4) Emphasized that as far as danger of Commie Chinese pressing to establish trade or diplomatic mission concerned, Ceylon only country in area which consistently has rejected request of Commie countries to establish such missions.

[1] This telegram was repeated to London as telegram 46, to Paris as 27, to Rangoon as 4, to Djakarta as 3, to Singapore as 1, and to New Delhi as 9.
[2] *Supra.*

(5) Made much of fact that UK is selling rubber to USSR and that both UK and India are carrying on large scale trade with China. In this connection PriMin commented that it is unfortunate that one of three of Ceylon's major export commodities has to be a strategic material. So far as change in pattern trade concerned, this has already been effected. For example, Ceylon is practically out of Burma rice market as result heavy Jap and Indonesian dollar buying.

PriMin made it clear that he personally sees no alternative but to ratify proposals. In reply direct questions he said that cab action is being deferred pending Chi clarification certain terms in proposals. He expects this clarification will be received shortly. Although it is possible cab action may be deferred until after Commonwealth PriMins meeting in London, he sees no reason why it shld be.

In refutation we used every argument to convince him that Ceylon's long-term rather than short-term interests wld best be served by rejecting rice-rubber agreement. Neither he nor Vaithianathan gave any indication being convinced by these arguments although Vaithianathan did tell Black confidentially on side that GOC had before mission's return practically decided to disavow any agreements mission might have made. Terms offered by Commie China were however so favorable it now seemed impossible do so. PriMin insisted that if his govt rejected present proposals it wld lose its present majority; "That you can't have a govt without support of the people"; that if his govt were overthrown "there wouldn't be any long-term".

It seems likely therefore that as indicated Embtel 191 Oct 22 [3] GOC will for sake political expediency ratify agreement.

SATTERTHWAITE

[3] *Ante*, p. 1552.

446E.9331/10–2952 : Telegram

The Ambassador in the United Kingdom (Gifford) to the Department of State [1]

CONFIDENTIAL LONDON, October 29, 1952—6 p. m.

2501. Ceylon–China rubber-rice agmt discussed yesterday with econ divn Commonwealth Relations Office. (Deptel 2915 Oct 24.) [2] Brit are unwilling to make any official representations to Ceylon about the proposed agmt and are leaving matter to discretion of UK High Commissioner in Colombo. Statement was made that "we have not concealed from Ceylon Govt that we do not like it," but no advice on ratification has been offered. CRO did not know about "clarifications" which have been requested from China.

[1] This telegram was repeated to Colombo for information as telegram 15.

[2] The Department's telegram 2915 to London, not printed, suggested that the Embassy in London urge British officials to discuss the dangers of the five-year agreement with the Government of Ceylon (446E.9331/10–2052).

Without stating it bluntly, Commonwealth rels spokesmen took line that arrangement with Communist Chi was direct result US failure to make satis deal with Ceylon during Goonetilleke's visit. Plea made that UK was without "desiderate" in sitn, having no rice to provide and being unable to offer market for Ceylon rubber. Therefore, if Ceylon refused pact at UK request, UK wld incur moral responsibility which cld not be discharged.

Despite report that UK High Commissioner's office was proposing to London that Ceylon be asked defer decision until after Commonwealth mtg next month (Colombo tel to Dept 196 Oct 24),[3] no such proposal is under consideration. In fact, there was strong adverse reaction to this suggestion on ground Ceylon PriMin might refuse attend mtg if he thought that he wld be put on the carpet about this trade agmt while here. Also on assumption Ceylon wld conclude agmt despite discussion at London conf, it appears doubtful that this procedure wld be a wise one. Unless public statement made to contrary, which wld show open disunity in Commonwealth, impression wld be given that Commonwealth conf had approved the agreement.

Despite negative and defensive attitude displayed by Brit, it was stated UK was aware dangers of agmt, which were termed "polit overtones". After discussions with econ div, EmbOff talked with Polit Under Secy at Commonwealth Relations Office, who was more responsive to our arguments and promised to "look into matter" again. However, we do not believe it likely that UK will be willing to intervene. In addition other points, they are aware their own vulnerability due Malayan rubber shipment to bloc and Brit trade with China in nonstrategic goods.

GIFFORD

[3] Telegram 196 from Colombo, not printed (446E.9331/10–2452).

446E.119/11–652

Memorandum by J. Robert Fluker, Officer in Charge of Economic Affairs, Office of South Asian Affairs

SECRET [WASHINGTON,] November 6, 1952.

[Subject:] OC Document 950, October 22, 1952 (OIT's Proposal to Expand Program Determination 810)[1]

It is our understanding that the Operating Committee plans to consider the above matter on November 10. From our review of the document under reference we judge that there are a number of points of considerable interest to several offices in the Department. There are certain points of special concern to this office, and SOA is submitting herewith its views and comments, with the request that they be taken

[1] See footnote 2, p. 1547.

into full account in the presentation before the Committee of State's position. (We are informed that you will act for Mr. Thorp as State's representative on the Operating Committee.)

Discussion Section of OC 950

The discussion section of OC Document 950 could be improved considerably with changes in certain of the statements which, as they now appear, are not sufficiently accurate. One point of particular significance for SOA is the statement made in paragraph 2, page 1 that the U.S. negotiated with the GOC to "impose destinational controls". Actually, the objective in these negotiations was for the GOC to effect a stoppage of shipments to Communist China, by whatever method the GOC would find most suitable.

In the last sentence of the paragraph the word "terminated" should read "suspended". There was no official United States Government decision to terminate aid. Since there was no request for an exception for Ceylon under the Kem Amendment or the Battle Act, no aid is being extended to Ceylon.

Another point of particular concern to SOA is the wording of paragraph 1, page 2. There was no question, strictly speaking, of a *quid pro quo*, instead, there was the GOC's repeated insistence that means must be found to forestall damaging internal criticism by some dramatic counter-development, such as the announced intention of U.S. aid over a period of years. Divergencies of interpretation of the GOC position are understandable, but it should be made clear that the Ceylonese themselves were most anxious that their suggestions not be characterized as "*quid pro quo*" proposals.

In the next-to-last sentence, same paragraph, "could" is far more adequate than "did", because the caretaker government did not have the authority to continue the negotiations.

On page 3, the second sentence of the second paragraph is seriously inadequate and confusing. Since July and before the 80,000 ton rice purchase from Communist China, the GOC placed contracts from about 30,000 tons of U.S. rice against its allocation of about 50,000 tons (which was not announced until September 10). Earlier in 1952 the GOC had bought about 35,000 tons of rice here. Furthermore, the rice purchase arrangement with the Chinese Commies is not a barter deal (the GOC doesn't undertake to supply rubber or other goods) and was not negotiated "simultaneously" with any procurement or non-procurement of U.S. rice in July–August (the GOC mission to China left Ceylon around September 11 and the agreement was concluded in early October).

It is an exaggeration to say (first sentence, p. 4) that "imposition of destinational controls [by GOC] [2] was imminent" until Ceylon received sulphur from the U.K.

[2] Brackets appear in the source text.

We note one question which is for EDS to decide, as to whether sentence 3, para. 3, p. 1 reflects an accurate and adequate interpretation of the Battle Act.

Discussion Section of OC 950

SOA considers that several of the recommendations call for discussion and/or rebuttal. First among those primarily affecting SOA is I(*b*). I find it hard to believe that OIT intends such an embargo to be so broad as to interfere with processing and shipments of rubber, particularly pale crepe, purchased by the U.S. and other non-Soviet Bloc countries. SOA thinks that the blacklisting proposed in I(*c*) would be ineffective because of constant evasions and would not help to accomplish the immediate U.S. objective. It would tend to further alienate the GOC and public opinion in Ceylon.

SOA would insist that in paragraph 2 of III, "consultation" be changed to "concurrence".

As to recommendations of general interest, we understand that "E" has definite views with respect to the bilateral and multilateral approach suggested in II. Subject to those views, SOA does not look with favor on further bilateral or multilateral control measures at this time. We would comment, as regards II(*a*), that the proposal to uprate rubber, if adopted, should be contingent upon results of a thorough re-appraisal (by our best intelligence services) of rubber's importance to Communist China and the Soviet Bloc; this evaluation is badly needed in any event. The other recommendations, if acceptable to OMP and EDS, appear satisfactory to SOA.

One final thought, applicable to all the recommendations is that since this problem of trade with Communist China is such a tangled one and the situation at present is so extremely fluid, the U.S. position needs to be reasonably flexible.

746E.00/11–1052 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State [1]

SECRET COLOMBO, November 10, 1952—1 p. m.

247. Min Food Goonetilleke informed Emb rep that Min Comm Senanayake arrived at Cab meeting Friday night (Embtel 245, Nov 8)[2] with written and signed resignation which he left with Cab before stalking out of stormy session during which he acted very childishly.

---

[1] This telegram was repeated to London for information as telegram 60.

[2] Telegram 245 from Colombo, not printed, reported the local newspaper story that the cabinet, in a meeting on Nov. 7, had approved the rice-rubber proposals in principle, but it had decided to send a working level mission to Peking to seek a lower price for Chinese rice (446E.9331/11–852).

He later went to PriMin's residence and withdrew resignation. Goonetilleke said PriMin getting completely "fed up with Dickie's antics" and was sorry resignation had been withdrawn. MEA Perm Sec Vaithianathan also told Emb rep that "Dickie behaved very badly and under any other circumstances (i.e., family relationships) wld be finished".

According Goonetilleke, Min Comm extremely upset at Cab's decision to "approve in principle" Chinese rice rubber proposals and to send mission to Chi for further negotiations as he feared Cab intended "torpedo" agreement. Min Comm wld like to head mission but with possible exception De Fonseka, Ceylon Min to Burma, mission will be working level. Min Comm apparently convinced there is "secret plot" between Min Fin Jayewardene and US State Dept whereby latter will finance Min Fin's campaign to become PriMin in return for Min Fin opposing Chinese proposals.

Goonetilleke expressed annoyance over fact Chinese had asked for only 20,000 tons rubber per year and Min Comm himself had proposed 50,000 ton figure. GOC wld have preferred former as it then cld have taken position vis-à-vis democratic countries that amount rubber involved actually less than Chi now purchasing.

Goonetilleke convinced proposals will be approved by both countries within next thirty days as Chinese apparently anxious for agreement. Mission expected depart within one week. Min Comm pressing for GOC establish Govt export corporation to handle Chi rubber shipments but Cab strong opposed.

In reply direct question whether mission wld be authorized sign final agreement, Goonetilleke said that "I propose" have mission carry draft approved by Cab. Mission wld then consult with GOC on any modifications, communications between mission and GOC are carried on in code through commercial telegraph channels. Peking, however, sent Chinese reply to GOC request for clarification in clear through commercial channels direct to Min Comm Senanayake. GOC communicates with Commie Chi Govt thru GOC Min Burma and Chi Amb Rangoon.

Today Vaithianathan informed Emb that GOC mission wld be on "official level" and wld be headed by De Fonseka. Mission will have authority sign long-term rice-rubber agreement "subject to ratification". In this case, however, ratification will be formality as Cab has already agreed on points involved.

Vaithianathan said principal points to be discussed with Chinese are:

(1) Quantity of rice to be purchased. GOC has now inquired whether Chi able provide 300,000 tons of rice instead 200,000 tons originally proposed.

(2) Rice price. GOC is seeking reduction in price 56 pounds sterling per metric ton proposed by Chinese under long-term agreement (Embtel 210, Oct 29).[3]

(3) Certain details re mechanics of rubber purchase.

Vaithianathan said GOC members of first Chi mission are optimistic that Chinese will agree on all points and that Chinese so eager for GOC ratification that they will even concede reduction in rice price without demanding corresponding reduction in rubber price.

SATTERTHWAITE

[3] Telegram 210 from Colombo, not printed, indicated that the price China would charge for its rice was 56 pounds sterling per metric ton (7.1 U.S. cents per pound of rice) and Ceylon would have to provide gunny sacks for shipment (446E.9331/10–2952). After subsequent negotiations, the Chinese reduced their price to 54 pounds per ton (telegram 309, Dec. 19, 1952; 446E.9331/12–1952). This price would be equivalent to 6.9 U.S. cents per pound, resulting in a total price to Ceylon, including gunny sacks and shipping costs, of 7.6 cents. By way of comparison, the rice Ceylon purchased from the United States in 1952 cost 7.7 cents plus shipping. (U.S. Department of Commerce, *Report No. FT 410*, 1952, p. 22)

646E.93/1–853

The Chargé in Ceylon (Gufler) to the Officer in Charge of Economic Affairs, Office of South Asian Affairs (Fluker)

CONFIDENTIAL OFFICIAL–INFORMAL COLOMBO, January 8, 1953.

DEAR BOB: Thank you for your letter of November 26.[1] I have not answered it sooner because it arrived while I was away on a leave trip from which I returned to find a mountain of paper on my desk. Gretchen and I decided to take every day's leave to which we were entitled and flew to Japan. We stopped over a number of places en route and had a chance to get a pretty good bird's eye view of the territory between here and Tokyo.

The Leftist groups in Ceylon are having a real field day as a result of the agreement with Red China. They are extracting the last ounce of satisfaction possible out of assertions that even the UNP has to go to the Communist world when it has a real problem to solve. I should think that a good many UNP stalwarts would be embarrassed by the line the Leftists are now taking. It puts the UNP in a difficult position in view of the political line it has always taken, particularly in the recent election campaign. All of the political leaders in every party almost without exception own rubber plantations. I suppose, therefore, that the extra rupees they are all earning will serve as a consolation to the UNP leaders for their political inconsistencies and add additional sweetness to the opposition leaders' satisfaction with the deal.

I am too old to have experienced the recent actions of the Ceylon Government as a first demonstration of the Adam family's tendency to

[1] Not found in Department of State files.

sell out principles for cash or prospects of cash, but I still cannot keep down a feeling that the whole exhibition here has been a disgusting demonstration. With all that, our Ceylon friends remain as charmingly friendly and hospitable as ever and in conversational references to the Red China deal blandly and almost childishly present the assumptions that we must of course be aware of their unalterable opposition to communism, must know with what great reluctance they view the deal, and must understand the economic necessity that they get a higher than world market price for their rubber and that starvation was the only alternative to Red Chinese rice. They follow this with the assertion that the alternative to some such deal was a state of affairs that would foster the growth of communism in Ceylon and that the rubber-rice deal is therefore one of the best means at hand for fighting communism.

That may be something of an oversimplification of the attitude here. There are indeed Ceylonese who are uneasy over the whole matter and who are particularly disturbed by the extent to which de Fonseka appears on his second visit to Peking to have added new elements to the original deal. Nevertheless self-interest and national pride, awakened by "European" criticism of the deal, has brought matters to the point where most Ceylonese are inclined to defend it more and deplore its objectional features less than when it first was proposed. Those who still have grave misgivings about it are reluctant openly and vigorously to voice them.

The deal has increased and in some cases brought to the surface the latent nervousness of "European" elements in Ceylon. The unease that tends to make "Europeans" increasingly reluctant to increase or leave their capital investments in Ceylon or to invest substantial parts of their lives in work in Ceylon has gained in intensity from the Red Chinese deal. We have heard this from many sources, both business and professional, and not all of them are old line British die-hards. They include people who have hitherto been sympathetic and who appeared satisfied here. One of the most striking reactions along this line was shown to my wife and me by an Austrian bacteriologist and his wife who have taken the Chinese deal as a signal to look elsewhere for a permanent connection. The bacteriologist heads the main Government laboratory that services the principal hospitals here and has previously shown great interest in his work and in the opportunities he has had for original research here.

Gretchen joins me in best wishes for the New Year and in the hope that we shall soon again have the pleasure of a visit from you.

Sincerely yours, GUY

P.S. If you can ship over some of that Kansas-Nebraska snow surplus, we might be able to turn Nuwara Eliya into a ski resort. B. G.

746E.13/1–3153 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State [1]

CONFIDENTIAL COLOMBO, January 31, 1953—noon.

377. Called on Prime Minister Senanayake yesterday P.M. and handed him *aide-mémoire* in reply following statement made by Minister of Com R. G. Senanayake during House debate on China Pact January 22 mentioned briefly first sentence fifth paragraph Embtel 367, January 23 : [2]

"We waited for foreign aid, foreign assistance. As you know, Sir, over and over again we made appeals for Point IV aid. We waited four long years. We have got in the form of assistance only a cook for the Kundas All Girls School."

I pointed out that person referred to as cook must be Mrs. Gladys Simon who is superintendent All Girls Agriculture Schools in Ceylon and is here on Smith-Mundt grant and not under Point IV. It seemed most unfortunate that responsible Minister his government should refer to lady of her unusual qualifications in such derogatory manner. *Aide-mémoire* also explained Point IV situation and concluded by saying I was making explanation contained therein for purpose setting record straight and also with thought he might wish have error concerning Mrs. Simon's true status corrected. Am forwarding text by pouch.

Re Mrs. Simon, Prime Minister said at time Minister of Com made statement he couldn't imagine to whom he was referring and for that reason did not mention matter in his statement in closing debate. After learning from me few days ago who person in question was (meeting him at reception I told him I planned call on him to protest this statement), he said he had already discussed matter with Min Com and told him it was extremely unfortunate he should have made such an irresponsible statement.

In course discussion that ensued, Prime Minister again complained that Ceylon had been given no American assistance while India was receiving huge amounts. This led to discussion Battle Act which made it impossible give Ceylon either technical or financial assistance after first shipment of rubber to China had gone forward. He said Ceylon had requested exemption under Title Two and had offered negotiate and asked why Ceylon could not have been given exemption in same way UK had been. I said in my opinion there were two reasons, first, that UK received in return for rubber it shipped to USSR vitally needed products (Ceylon was receiving nothing from China in return

[1] This telegram was repeated to London for information as telegram 110.

[2] Telegram 367 from Colombo, not printed, reported the debate on Jan. 22, 1953 concerning the Chinese rice agreement in the Ceylonese House of Representatives (446E.9331/1–2353).

at that time) and, second UK was making large military contributions to common defense free world. We had always listened sympathetically to Ceylon's arguments defending its actions and had always passed on these arguments to my government. What we could not overlook, however, was fact that rubber they sold to China was going to aggressor which was engaging in warfare with UN and that American and UN forces were dying daily in defending free world.

Re technical assistance, I recalled statement Minister of Food Goonetilleke had made to Gufler and Black on his return from Washington last summer to effect that 50 million dollars was smallest amount which would make it politically expedient justify presence in Ceylon of American aid mission. I also pointed out that this amount had been demanded without submitting any detailed projects. We had nevertheless made offer substantial amount of aid which they had turned down. India, on other hand, had given complete details justifying every project for which it was receiving aid.

Subject then changed to recent criticism Ceylon for selling rubber to China contained in Battle Act report.[3] I told him I failed understand rather extreme criticisms being made of this statement locally since it was factually correct and seemed to me to set forth Ceylon's side of question in a fair light. This statement moreover had not given full account efforts US had made to assist Ceylon in connection with rice. I therefore, handed him statement describing just what we had done based on page 5 January 6 issue "current economic developments".[4]

I also read Prime Minister excerpts of article appearing in yesterday's UNP journal which described Battle Act report as slashing attack on Ceylon–China Pact and said it would not of course be difficult for powerful country like US to bully a small country like Ceylon, to starve her out, to ruin her rubber industry, and to establish virtual economic blockade around her vulnerable economy. Article also said that American policy amounts to this "You Ceylonese must sell your rubber to us even if it means total loss to producer and bankruptcy to government. You Ceylonese must starve rather than buy your needed rice from China. You must starve and sell your rub-

---

[3] The Battle Act report referred to here was the Second Report of Congress on the Mutual Defense Assistance Control Act of 1951 submitted by Administrator Averell Harriman. The portion on Ceylon (pp. 26–27) elicited a highly critical response from some sections of the Ceylon press. (Telegrams 363 and 364 from Colombo, Jan. 21, and 22, 1953; 846.E2395/1–2153, 846E.2395/1–2253)

[4] *Current Economic Developments* is a classified weekly publication of the Department of State. Page 5 of the Jan. 6, 1953 issue provided details of the U.S.-Ceylonese rice negotiations in 1952, noting that the U.S. Government offered Ceylon its entire stock of 7,000 tons of rice when Food Minister Goonetilleke visited Washington in July 1952 (see memoranda of conversation, dated July 21 and 22, 1952, pp. 1529 and 1530). However, Ceylon was unwilling to pay the current free market export price for the rice and subsequently used only part of a later U.S. allocation of rice for Ceylon because the "prevailing market price was higher than it wanted to pay." (*Current Economic Developments*, Issue 389, Jan. 6, 1953, p. 5)

ber at a loss in order that the free world may be safe against communism". I said I was quoting this article as it was published in journal of party of which he was president and wondered if it represented his views. I said it seemed to me there was no basis as claimed by article that US was following policy of economic imperialism and that our assistance with respect to rice would certainly indicate we were not trying to starve Ceylon.

Prime Minister was somewhat apologetic over article which he obviously had not seen. He said it was true UNP now had some responsibility for UNP journal (it was formerly Minister of Transport Kotelawala's private organ) but that it was still cause of embarrassment to him and even attacked members his government. He said his government was indeed appreciative of assistance we had given Ceylon re rice. He felt, however, that our action in depriving Ceylon of sulphur was a type of economic imperialism. I pointed out that I had informed his father who was Prime Minister at time first rubber shipment left for China that US could not furnish sulphur if rubber was sold to China. As it would be impossible for us to justify to US Congress and public sale to Ceylon of article which was used to grow rubber which was being sold to our enemies. I pointed out at same time that we, nevertheless, did not wish cause any harm to Ceylon's long-range economy and had offered small amount of sulphur for rubber experimental farm but that GOC had never taken this up.

Prime Minister also criticized statement in Battle Act report saying that controls over shipping and fueling of vessels calling at free world ports might provide one salutary course action. I replied I did not consider this a threat as suggestion was intended apply such controls I was sure only to ships carrying strategic materials and not for purpose depriving Ceylon of food.

Parenthetically it was in my opinion most unfortunate that this sentence was contained in statement as it has been seized on by local press as threat against Ceylon. If MSA had consulted Department, latter could have pointed out that we undertook prevent first shipment rubber to China by employing such controls in September, October 1951 and failed. Since then Soviet and satellite vessels have apparently made all necessary arrangements for fueling in this area by carrying sufficient fuel from Black Sea and by shipping fuel to Chinese ports. Naval Attaché tells me that week ago there were 29 Soviet and satellite ships in Indian Ocean.

I then told Prime Minister we had received several reports from our Indonesian, Malayan and Burmese offices indicating that efforts were being made in those countries to ship rubber to Ceylon for premium prices for resale to China. Prime Minister replied he was sure no such shipments were being made and that Ceylon had no intention permitting reexport any strategic material other than rub-

ber. He also specifically reiterated assurances given me by Vaithianathan (Embtel 316, December 22)[5] re truck tires and tubes.

I asked if he had any information as to when first Chinese might arrive here under arrangements approved in rubber contract (Embtel 374, January 29).[6] He said no but he thought not soon as Chinese were accepting reports of rubber surveyors for first shipment now being loaded under long term agreement.

Interview was inconclusive in that Prime Minister again said that he regrets this trade with Communist China very much but that in absence US aid Government of Ceylon had no alternative if it were to avoid economic collapse. I think, however, it may have served some purpose in clarifying US position and in bringing out several points of which he was apparently not aware.

On departing I gave him message contained Department's circular airgram 788, January 9[7] to effect Secretary Dulles has no present plans to visit Asian countries, et cetera.

SATTERTHWAITE

[5] Not printed.

[6] Telegram 374 from Colombo, not printed, noted that for the time being the Chinese would not send a mission to Ceylon to oversee their rubber purchases but would accept rubber grade certificates from locally appointed representatives (446E.9331/1–2953).

[7] Not found in Department of State files.

746E.13/2–253 : Telegram

The Acting Secretary of State to the Embassy in Ceylon[1]

CONFIDENTIAL WASHINGTON, February 4, 1953—6:44 p.m.

229. Congratulations on excellent presentation to PM (Embtels 377 Jan 31[2] and 379 Feb 2).[3] Re para 5 Embtel 377 additional point you might make some future occasion is that UK and other rubber producing countries completely embargoing rubber to China in accordance UN resolution.[4] Shipments to Russia and Eur satellites in different category. UK has no exemption on Chinese trade. Battle Act states that Act shall be administered so as "to bring about the fullest support for any resolution of the General Assembly of the UN supported by the US to prevent shipment of certain commodities to areas

[1] This telegram was repeated to London for information as telegram 5183.

[2] *Supra.*

[3] Telegram 379 from Colombo, not printed, carried the verbatim text of the *aide-mémoire* referred to in the second line of telegram 377 to Colombo, *supra*. The substance of the *aide-mémoire* concerned the remark about Gladys Simon and the past and current status of U.S. Point Four assistance to Ceylon. (746E.13/2–253)

[4] The UN General Assembly adopted resolution 500 (V) on May 18, 1951 calling for an embargo on the shipment of arms and strategic materials to areas under the control of Communist China and North Korea. For the text of the resolution and related documentation, see *Foreign Relations*, 1951, vol. VII, Part 2, pp. 1874 ff.

under the control of governments engaged in hostilities in defiance of the UN".[5]

Re statement in Battle Act report on controls over shipping and bunkering purpose correctly stated in Embtel 377. Shld be noted that these controls not directed specifically against Ceylon but rather designed to assist general adherence at operating level to UN resolution.

PM's statement (para 12 Embtel 377) implies GOC may permit re-export rubber originating other countries. Ceylon Emb advises it is govt policy not permit such shipments which is supported by last para Embtel 363 Jan 21.[6] Pls advise.

MATTHEWS

[5] The Embassy, in telegram 386, Feb. 6, 1953, acknowledged the argument that the United Kingdom was cooperating fully in embargoing rubber to China in accordance with the UN resolution. It noted, however, that most Ceylonese suspected that U.K. (Malayan) rubber going to the Soviet Union was being reshipped to China and North Korea to aid in their war effort. In addition, the Embassy continued, Ceylonese tended to view our insistence on Ceylon's adherence to the UN resolution illogical since Ceylon was not a UN member. (493.009/2–653)

[6] Not printed.

711.56346E/4–1453

The Assistant Secretary of Defense for International Security Affairs (Nash) to the Secretary of State

TOP SECRET WASHINGTON, April 14, 1953.

DEAR MR. SECRETARY: Reference is made to the letter of 7 April 1952 [1] from the Department of State concerning United States military requirements in Ceylon. This letter indicated that the time was not propitious to open negotiations with the Government of Ceylon with a view toward securing the necessary military rights to establish and operate certain United States military facilities in Ceylon.

On 21 July 1952 your Department was furnished a copy of the requirements for military operating requirements in Ceylon, expressed in general terms.[2] Subsequently, upon receipt of your concurrence, a copy of these requirements was forwarded to the British Chiefs of Staff for their information. The British Chiefs of Staff have requested that they be advised prior to the opening of any intergovernmental negotiations.

The acquisition of the military rights necessary to accommodate the proposed United States military requirements is a matter of great im-

[1] The letter was from Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs Burton Y. Berry to the Special Assistant to the Secretary of Defense, Frank C. Nash. It indicated that the Department of State concurred with the current British view that the present time (Apr. 7, 1952) was not propitious to undertake U.S.–Ceylon discussions over bases because new national elections were soon expected to be held, and a new prime minister, Dudley Senanayake, had just taken office. (711.56346E/4–752)

[2] This material, not printed, included a cover letter, dated July 21, 1952, a draft memorandum to the representatives of the British Chiefs of Staff, and a general outline of U.S. military requirements for Ceylon (711.56346E/7–2152).

portance to the United States Air Force inasmuch as the requirement for a heavy bomber staging base is a priority item in the current United States Air Force program. Accordingly, forwarded herewith is a statement of the detailed military requirements which may be used as the basis for future negotiations. It is requested that this Department be advised whether negotiations with the Government of Ceylon may be opened at this time or if this is still not possible in view of the political considerations, that this Department be advised when it may reasonably be expected that such negotiations can be initiated. This Department will notify the British Chiefs of Staff prior to the initiation of any negotiations.

This Department will be prepared to furnish military advisors to assist the U.S. Ambassador whenever negotiations may be initiated.

Sincerely yours, For the Assistant Secretary of Defense (ISA):

CLARK L. RUFFNER
Major General, U.S. Army
Military Deputy to the Assistant Secretary of Defense (ISA)

646E.93/4–1453: Airgram

The Acting Secretary of State to the Embassy in Ceylon

CONFIDENTIAL WASHINGTON, April 14, 1953.

A–82. The Department refers to what appears to be an increasingly friendly attitude in Ceylon toward Communist China and to the shift in public opinion toward a friendlier feeling for communism within Ceylon as a result of statements by UNP and public officials in their attempts to justify the Ceylon-Communist China rice-rubber pact. These shifts have meant a corresponding increase in suspicion of the United States and dissatisfaction with its policies as they affect Asia and particularly, Ceylon. They have been referred to most recently in the Department's Fourth Quarter review of US–Ceylon relations (A–54, January 7, 1953)[1] and Part II A of the Embassy's despatch No. 559 of March 17, 1953,[2] USIS Country Plan–Ceylon.

The Department is considering publishing shortly a paper in its "Background" series on the embargo of strategic materials to Communist China and Ceylon's rubber shipments to that country. This paper

---

[1] Airgram A–54 to Colombo, not printed, stated that Ceylonese Communists, taking advantage of the generally favorable feeling in Ceylon toward Peking, could receive closer guidance and financial support from the Chinese Communists (611.46E/1–753).

[2] Part II A of despatch 559 from Colombo, not printed, indicated that there was a growing fear in Ceylon that the United States was pursuing an imperialistic course in Asia which disregarded the rights of small nations to act in their own best interests (511.46E/3–1753).

is designed for the United States public but may very possibly come to the attention of the Government of Ceylon or the Ceylon press. Because it sets forth the United States' position regarding US–Ceylonese discussions prior to the China–Ceylon agreements, it will no doubt be unfavorably received in Ceylon and may stimulate a rejoinder.

We believe that we should take all possible measures to stem the shift which seems to be developing in Ceylon. One course of action which is suggested for consideration and adoption, if the Embassy concurs, is for the Ambassador and senior officers of the Embassy to make the following points on suitable occasions to appropriate UNP leaders and Government of Ceylon officials.

1. Ceylon's breach of the embargo has received wide and unfavorable notice in the United States. It is normal for agencies of the United States Government to issue periodic reports to Congress and to the public to keep them informed on important issues. Therefore from time to time statements regarding Ceylon's action will have to be made by the United States Government. Such statements and reports are a required feature of the United States Government operations and are not designed to stimulate inter-governmental arguments.

2. As the Government of Ceylon is fully aware, it was able to negotiate a contract with Communist China on favorable terms only because other countries were not selling rubber to China. If the embargo should be lifted or if rubber should otherwise become available to China from other sources, it is entirely possible that the Chinese Communist regime will not live up to its contract with Ceylon. What then would Ceylon's position be? What is Ceylon doing about preserving its relations with countries to whom it may have to turn in such circumstances? It should be borne in mind that anti-US statements by Government of Ceylon officials receive publicity in the United States. Such statements, plus the fact of Ceylon's rubber being used against the United States and the United Nations in actual combat, must necessarily be taken into account in considering any action that the United States might take vis-à-vis Ceylon should it require help. In the United States, Congressional and public opinion are controlling in any consideration of US assistance to Ceylon even in such matters as an allocation of a scarce food or other commodity.

3. The UNP won the May 1952 elections largely on an anti-Communist platform.[3] Now UNP members and high officials of the Government of Ceylon (such as de Fonseka and R. G. Senanayake) are making public statements indicating friendship for Communist China and pointing to the great strides made by Communist China. These state-

[3] Sir John Kotelawala, United National Party leader and later prime minister of Ceylon, defined the election as a contest between democracy and totalitarianism and described his party's approach in this manner: "We did our best to convince the voters that, if we were defeated, the political freedom we had won would be destroyed, and the country would be exposed to a much more tyrannical domination than the old colonialism at its worst. The Marxist parties would assume power, and might destroy our religious and national traditions." He thus interpreted the resulting UNP victory as a triumph for democracy; Kotelawala, *An Asian Prime Minister's Story* (1956), pp. 82–83. For a summary of the election results, see telegram 650 from Colombo, June 1, 1952, p. 1520.

ments may very possibly lead Ceylonese voters to decide that communism might make equally great strides within Ceylon and thereby swell the ranks of the Communist Party and its supporters. UNP leaders in their zeal to justify Ceylon's agreements with Communist China may, perhaps unwittingly, be facilitating Communist plans to displace the UNP and gain control of the Government.

4. We hope that Ceylon will ultimately recognize that it is acting contrary to its own long-term interests and take steps to put itself squarely on the side of the democracies to which it claims to belong. The United States, on its part, is engaged with other UN nations in a war that is costly not only in loss of life but also in treasure and resources; it is also fighting inflation within its own country (which affects directly or indirectly practically all countries of the world), and has been paying higher than peace-time prices for practically all materials, including, until recently, rubber. If Ceylon is itself unwilling to ease the burden of war in Korea, the least it can do is recognize that the responsibility for keeping democracy alive in the world is being shouldered by the United States and other freedom loving countries who must take steps which they consider necessary towards that end.

5. While we deplore Ceylon's trade in rubber with the aggressor Communist China, we are aware of the immediate pressures which led to the decision by the Government of Ceylon to continue and expand this trade. However, Ceylon's critical economic problems are deep seated. The temporary alleviation brought about by rubber exports at premium prices and rice imports with price inducements could end very quickly. Ceylon's trade with Communist China, under an obviously politically inspired arrangement on the part of the Chinese, is not likely to solve these problems; the alleviation of symptoms in this manner creates new dangers. It is important for Ceylon now to lay the groundwork for meeting the problems with which it will be faced when it will wish to return to its traditional patterns of trade, or to the development of new trade with free countries and for assistance in meeting the deep seated problems of its economy.

Some of the foregoing points may be subject to interpretation as undue or improper interest in Ceylon's internal affairs. They should be conveyed informally, and only to those who are regarded as friendly to the United States. It is not believed that a written communication along the above lines would be useful. It seems possible that persistent reiteration of the foregoing points may raise doubts in the minds of some responsible and influential leaders as to the wisdom of the views being widely expressed in Ceylon today. With reference to numbered paragraph 3, our Embassy in New Delhi reports that public statements by leading Indian officials praising the "accomplishments" of Communist China are much less frequent and more restrained than formerly. The Indian officials appear to have recognized that it was bad politics to emphasize the accomplishments of Communism abroad while they were criticizing Communism in India.

SMITH

646E.93/5–253 : Telegram

The Ambassador in Ceylon (Satterthwaite) to the Department of State[1]

SECRET COLOMBO, May 2, 1953—11 a. m.

497. I naturally share Department's concern expressed its A–82[2] re shift here toward Communist China and away from US as result rubber-rice pact which is inevitably drawing Ceylon and Communist China closer together as regards trade relations. I doubt, however, whether as Department fears there has been any appreciable shift in Ceylon toward Communism. Even Minister Commerce Senanayake has of late been making anti-Communist speeches.

It would, nevertheless, be unrealistic in my view expect Ceylon to break its contract with Communist China as result arguments contained A–82. Rubber-rice pact has worked so smoothly to date and has been so profitable to Ceylon during present financial crisis that even high officials who were most opposed to it would hesitate take any action in present circumstances to end it. Finance Minister Jayewardene for instance in statement in Parliament April 28 on difficult economic conditions prevailing in Ceylon today cited as favorable factor fact that rubber-rice agreement had stabilized for time price paid for Ceylon's sheet rubber above world price and price Ceylon has to pay for portion its rice imports below world price.

As far as we can judge here any action which might lead to termination rice-rubber agreement in immediate future at least must originate outside Ceylon for example as result Korean truce leading to lifting UN embargo with its resultant effect on rubber prices or seizure by Chinese Nationalists of ship carrying Ceylon rubber to Communist China.

Therefore, arguments set forth in five numbered paragraphs A–82 while indeed strong ones will I fear have little effect as long as rubber shipments continue at present favorable prices. We have of course, used most these arguments in many previous discussions with high government officials and will continue do so. A favorable opportunity might be found by handing Permanent Secretary Vaithianathan advance copy Department's background paper with explanation in numbered paragraph 1.[3] I believe this course would be preferable to letting Ceylon Government learn of its issuance through press even though

[1] This telegram was repeated to London for information as telegram 136.
[2] *Supra.*
[3] The Department, however, delayed issuance of the background paper to the point where the Embassy questioned whether issuing it at all would still serve any useful purpose. (Telegram 504 from Colombo, May 19, 1953; 446E.9331/5–1953)

we do not ourselves pass it out here. Prime Minister and Vaithianathan will be leaving for London attend Coronation May 25. We could use text transmitted with Kennedy's letter March 24 [4] unless subsequent changes have been made.

Please let me know when statement will be released.

SATTERTHWAITE

[4] Not found in Department of State files.

711.56346E/4–1453 : Instruction

The Acting Secretary of State to the Ambassador in Ceylon (Satterthwaite)

TOP SECRET WASHINGTON, May 28, 1953.

No. 15

SIR: Reference is made to the Embassy's Despatch No. 312 of November 28, 1952 [1] and previous correspondence regarding the question of the establishment of United States military installations in Ceylon.

The Department of State has received a letter dated April 14, 1953 [2] from the Department of Defense, a copy of which, together with its enclosure, a "Statement of U.S. Military Requirements", is attached.[3] The Department of Defense requests advice as to whether the political situation in Ceylon would permit the opening of negotiations for United States military rights with the Government of Ceylon at this time and, if not, an estimate as to when such negotiations could be initiated.

You will note from the enclosure that the availability of funds for the facilities required is "subject to review". Furthermore it has been ascertained informally that although the requirement for a heavy bomber-staging base is a priority item, the Department of Defense will not be able, until after Congressional action on the Defense budget, to make a firm decision as to the availability of funds and, consequently, as to the practicability of opening negotiations. However, an indication of prospects for successful negotiation in Ceylon would be useful to the Department of Defense at this stage.

[1] Despatch 312 from Colombo, not printed, reported a conversation between Myron Black, First Secretary of the Embassy in Ceylon, and Sir Oliver Goonetilleke, Minister of Agriculture and Food, in which Sir Oliver raised the issue of a formal defense agreement between the United States and Ceylon. The despatch noted the tendency of Goonetilleke to use the offer of military bases and a defense agreement as bargaining points when he had brought up the issues before. (611.46E/11–2852) The Department was not certain to what degree Goonetilleke made these proposals on his own initiative or at the specific request of his government. (Airgram A–54 to Colombo, Jan. 7, 1953, pp. 1–2; 611.46E/1–753)

[2] *Ante*, p. 1567.

[3] The "Statement of U.S. Military Requirements," which has been omitted, enumerated the supplies and facilities needed to make the Negombo airfield and surrounding area a U.S. staging base in time of war.

In previous correspondence on the subject of United States military requirements in Ceylon, specifically your telegram No. 533 of May 12, 1951,[4] you have stated your view that the United States is not likely to obtain military facilities in Ceylon without giving the Government of Ceylon a substantial *quid pro quo*.

Nevertheless, in view of the interest shown by a high Government of Ceylon official in the establishment of United States military facilities in Ceylon (Embassy Despatch No. 312, November 28, 1952 and previous), the Department would appreciate your views as to whether the Government of Ceylon might at this time be willing to negotiate on the basis of the economic and security benefits which would accrue to Ceylon as a result of the establishment of United States facilities. If, in your opinion, the Government of Ceylon would be unwilling to cede the rights and facilities desired on this basis, the Department would appreciate your views as to the nature and amount of the additional benefits which would have to be offered.

Although it is not possible at this time to determine whether either economic or military aid will in fact be available it would be useful to have your judgment as to the relative efficacy of either category of aid in obtaining the rights desired. There are now pending before Congress, proposals for the amendment of the Mutual Security Act which would make possible the extension of a limited amount of economic aid despite the restrictions of the Battle Act.

The Department would also appreciate your views as to the probable effect on Ceylon–Indian relations of the establishment of a United States military base in Ceylon.

Very truly yours,

For the Acting Secretary of State:
JOHN D. JERNEGAN
Acting Assistant Secretary for Near Eastern, South Asian, and African Affairs

[4] Not printed (746E.5/5–1251).

711.56346E/6–2753

The Ambassador in Ceylon (Satterthwaite) to the Department of State

TOP SECRET

COLOMBO, June 27, 1953.

No. 774

Reference: Department's Instruction No. 15, May 28, 1953 [1]

Subject: Possibilities of Obtaining U.S. Military Rights in Ceylon

In the despatch under reference the Department requests my views on behalf of the Department of Defense as to whether the political

[1] *Supra.*

situation in Ceylon would permit the opening of negotiations for U.S. Military Rights with the Government of Ceylon at this time, and if not, an estimate as to when such negotiations could be initiated.

I have given the Department's inquiry careful thought and have reached the conclusion that, for reasons given below in greater detail, the political situation is not at the present time favorable for undertaking such negotiations. The reasons in brief for my views are (*a*) the present financial crisis which the country is undergoing, which in turn has led (*b*) to growing fear on the part of the Government of being overthrown by the parliamentary opposition which shows some signs of cooperating and becoming more effective, (*c*) fear on the part of the Government of the reaction of the Indian Government to giving the United States such rights, and (*d*) the state of our own relations with Ceylon as a result of Ceylon's important trade in rubber with Communist China.

Financial Crisis

As has been reported the financial crisis in Ceylon has reached rather serious proportions, primarily as a result of the excessive food subsidies the Government has been paying. For more than a year the Government has been selling rationed rice, which now costs it between 85 and 90 Ceylon cents per measure, at a cost to the public of 25 cents per measure. Originally this large subsidy was paid mainly for political reasons and in order to assure the reelections of the United National Party (UNP). The Government felt at the time that it could afford to pay such a large price. Although rubber prices had declined severely a very unrealistic budget was, for purely political reasons, brought in last year, since when with the decline of tea as well as rubber prices the Government has been reducing its external assets at an alarming rate.

The Government is now faced with the problem of reducing or eliminating the food subsidy in order to survive economically and is apparently about to face up to the issue in the budget which will be presented about the middle of July. The UNP back-benchers, as well as some of the leaders of the party themselves, are fearful of the effect this may have on their political fortunes and there is as a result a distinct possibility that a number of back-benchers may desert the party.

Growing Strength of the Opposition Parties

The parliamentary opposition, made up mainly of the Marxist Communist and Trotskyist (LSSP) Parties and the allegedly non-Marxist Freedom Party, has taken full advantage of the Government's financial and political ineptitude and has had considerable success in turning public opinion against the Government. Moreover the Communist Party is apparently having some success in convincing the Trotskyists that they should cooperate in forming a common

front. If this should happen and if the Freedom Party, which often seems disposed to cooperate with the Marxist Parties, should form a common front of the opposition, the UNP Government, in spite of now having a substantial paper majority and four more years of political life before the next elections have to be held, might possibly be overthrown through the desertion of some of its present supporters.

As the opposition is unanimous in proposing that Ceylon should leave the Commonwealth, in favoring cooperation with Communist China and the Soviet Union, and in condemning the present policy of the US Government at every opportunity, the Dudley Shenanayake Government would, in my opinion, be very reluctant to undertake any negotiations which might tend to strengthen the opposition. The Government would undoubtedly at this time consider negotiations for United States military rights here to be in this category.

As an indication of the real fear of some of the UNP leaders that the Government may be overthrown, the Minister of Health, Major E. A. Nugawela, told me only a few days ago that he was seriously thinking of getting out of politics and asking to be appointed Ambassador in Washington. He seems to feel that the intrigues of Sir John Kotelawala, Minister of Transport, to oust Lord Soulbury as Governor General in order to fill that position himself, coupled with the Government's general ineptitude, may well be ruinous to the Party. There seems moreover to be a growing feeling that Sir John is secretly doing everything possible to undermine the Prime Minister, his first cousin. In brief, the political situation is very unsatisfactory indeed.

Ceylon–Indian Relations

The Department in the final paragraph of its Instruction of May 28 asks my views as to the probable effect on Ceylon–Indian relations of the establishment of a United States military base in Ceylon. In my telegram No. 84 of February 2, 1950,[2] I reported the feeling of Sir Kanthiah Vaithianathan, the influential Permanent Secretary of the Ministry of Defence and External Affairs, on this subject. Referring to the request we then had pending for permission to station a small United States Naval unit within the existing British Naval communications unit here, Sir Kanthiah asked why the United States Navy could not arrange to obtain the facilities it so badly needed through the British forces already here. He said that there was a historical pattern and necessity for the stationing of British forces in Ceylon and that their presence here could therefore be explained by his Gov-

[2] The Ceylonese position reported in telegram 84 from Colombo is adequately summarized in this paragraph. Ambassador Satterthwaite went on to state his belief that any attempt to pressure the Government of Ceylon into granting the United States any military concessions would be deeply resented by the Ceylonese people. He, therefore, supported the view, held by Vaithianathan, that the United States attempt to satisfy its defense needs through cooperation with the British forces in Ceylon. (946E.20/2–250)

ernment. If, however, Ceylon were to grant similar military privileges to the United States, Ceylon was afraid that a great and powerful neighbor whom she feared and distrusted, referring of course to India, would insist on receiving similar privileges.

In spite of superficial indications to the contrary this inherent fear of India still prevails here and will no doubt continue to do so even if the present unsatisfactory relations between the two countries over the question of the citizenship rights of persons of Indian origin residing here should be settled. As an indication that this fear of India is not unreasonable, high Indian military personages are known to have told their friends in the Ceylon Government that India is determined some day to get possession of the great naval base at Trincomalee. Therefore the reaction of India to the granting by Ceylon of military rights to the United States is almost certain to be negative and should be a matter of some concern to the United States Government in view of the predominant position India holds in this area.

Sale of Ceylon Rubber to Communist China

With reference to the unsatisfactory situation arising out of the sale since October 1951 of substantial quantities of Ceylon rubber to Communist China, I shall only comment briefly in view of the Department's current awareness of the implications of this complicated and troublesome problem. I should, however, like to refer to my telegram No. 497 of May 2, 1953,[3] in which I point out that it would in my view be unrealistic to expect Ceylon to break its present rice-rubber contract with Communist China as long as it continues to work so smoothly and so profitably. I also expressed the opinion that any action which might lead to the termination of the rice-rubber agreement in the near future would have to originate outside of Ceylon, and mentioned in this connection the possibility of a truce in Korea, which would presumably lead to the lifting of the UN embargo with its resultant effect on rubber prices, and the raising of the legal restrictions on trade with Communist China imposed by the Battle Act.

The Embassy has of course made the opposition of the US Government to this trade abundantly clear to the Ceylon Government. I am glad to report that in addition to the rather powerful forces in Ceylon always opposed to closer trade ties with China and favoring the maintenance of Ceylon's historical trade relations with the West, there has recently been developing on the part of the powerful Buddhist Priesthood, as reported in our OM of June 13, 1953,[4] from the Public Affairs Officer, a realization that Buddhism is not enjoying in Communist China the freedom which many had believed. This favorable development has resulted in vigorous public attacks on Communist

[3] *Ante*, p. 1571.
[4] Not found in Department of State files.

China at a large Buddhist meeting held at Anuradhapura recently on the occasion of an important Buddhist holiday.

Possibilities of Current Negotiations

The Department's despatch of May 28 states that the Department would appreciate my views as to whether the Government of Ceylon might at this time be willing to negotiate on the basis of the economic and security benefits which would accrue to Ceylon as a result of the establishment of United States facilities here. While such benefits could indeed in more favorable circumstances play an important role (many still remember the prosperous days of World War II when British and American forces were stationed here), these considerations would not alone in my opinion be sufficient to induce the Government to enter into negotiations. Such benefits may well have been in the mind of Sir Oliver Goonetilleke, Minister of Agriculture and Food, when making his various suggestions for a formal defense agreement with the United States and the stationing of small naval and air force units here. As indicated in my Despatch 312, November 28, 1952,[5] to which reference is made in the Department's Instruction under reference, I am of the belief that Sir Oliver has been less than sincere in making these proposals and has had in mind primarily the bargaining strength which such suggestions might give to the Ceylon Government in any controversy with the United States, and the favorable light which he hoped Ceylon would be placed in as a result of such suggestions in spite of its shipments of rubber to China.

It is my belief, in the light of the factors discussed above and in spite of Sir Oliver's suggestions, that we would have to offer both economic and military benefits of a substantial character in order to interest the Ceylon Government in our proposals, with the emphasis on the former at the present time. As to the nature and the amount of additional benefits which would have to be offered, I can only say that the economic benefits would probably have to be substantial in nature, as illustrated by the unreasonable feeling so often expressed here that Ceylon should receive from us economic assistance proportionate to that we give to India. This belief is born out in part by Sir Oliver's insistence during his mission to Washington in July 1952 that the United States should agree to advance a total of 50 million dollars during the next five years.

If we are willing to offer both substantial economic and military aid I think it is indeed possible that the Ceylon Government may, after it has survived the present financial crisis (which I think it is likely to do) be willing to consider granting us the right to construct facilities for global communications which are so badly needed by our Air Force

---

[5] See footnote 1, *supra*.

and Army. There is some doubt, however, in spite of Sir Oliver Goonetilleke's repeated suggestions to the contrary, whether the Ceylon Government would be willing to consider the establishment of a heavy bomber-staging base, unless we are willing to offer a very substantial *quid pro quo* indeed, primarily because of its fear of the reaction the granting of such rights would cause in India.

It seems to me that the United States should not seriously enter into a military program in Ceylon of large proportions unless and until it is willing to take over from the British if need be the responsibilities of the defense of the Indian Ocean and to face the probable hostility of the Indian Government in doing so. I would recommend that we limit our target for the present to global communications facilities, and, if we succeed in obtaining these, we could then decide whether to make a proposal for a heavy bomber-staging base.

In the meantime we should, I feel, strongly support the military position here of the British, whose base rights are rather precarious. In fact their legal rights to their bases at Trincomalee and Negombo are so uncertain that the continued use by the British of these bases could possibly be lost if the present Government here were overthrown at a time when a weak Government was in power in England. Therefore it is in our best interest, it seems to me, to continue to cooperate fully with the British in this area and to encourage them to take the lead as far as possible, while at the same time insisting that at all costs they maintain their military rights here.

It may be of interest to report that I have discussed a number of these questions during the past few months with Admiral Radford, General Vandenberg and Vice Admiral Wright during visits they have made here. I have shown them (except General Vandenberg who was here too short a time) a number of the pertinent documents, including the letter dated December 12, 1951, from the Acting Secretary of Defense to the Secretary of State setting forth the position of the former at that time with reference to military rights in Ceylon.

Conclusion

In conclusion I repeat that I do not feel that the political situation in Ceylon at the present is such as to justify the opening of negotiations for military rights here. I venture to make the suggestion therefore that the question be reconsidered within a few months, at which time my successor here may be able to give a more optimistic view of the prospects of success.[6]

J. C. SATTERTHWAITE

[6] In a letter to Assistant Secretary of Defense Frank C. Nash, July 28, 1953, in which a copy of this despatch was enclosed, Deputy Under Secretary of State H. Freeman Matthews wrote that the Department of State concurred in Satterthwaite's recommendation that negotiations for U.S. military rights in Ceylon be postponed (711.5346E/6–2753).

846E.2317/9–1553 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

SECRET WASHINGTON, September 15, 1953—6:56 p. m.

66. Ambassador Corea called on Assistant Secretary Byroade September 14 to sound out US "position" on Ceylon. Said he was stimulated make this approach by (1) recent unrest in Ceylon,[1] (2) favorable US public reaction to his statements of GOC view of rice-rubber agreement during his recent US tour, and (3) possibilities and opportunity let five-year agreement lapse through failure reach agreement on second year's prices in negotiations GOC mission now in Peking.

On point (1) he noted GOC believe must quell dissatisfaction of people before opposition consolidated and becomes grave threat continuance present GOC. On point (3) he said that good possibility existed for failure reach agreement on prices for second year of 5 year agreement and implied that with US help GOC might be able implement its desire "to get back into step with the free world."

In response to question whether possible US help was purely financial matter to GOC, Ambassador said GOC considerations were not entirely financial although Ceylon economic situation made finance important to GOC.

Ambassador seemed to concur in Byroade's indication previous Goonetilleke aid demands were excessive then and from US standpoint would be even more so now. Byroade noted that lack of knowledge in Washington of next year's US aid programs limited present US consideration of Ambassador's request to matters of rice and rubber. Ambassador informed that while rice situation appeared to be easier with developments in Southeast Asia, the outlook for US rubber agreement seemed even tighter than in previous discussions. Ambassador expressed hope US would study the situation and suggested the possibil.ty using some wheat as substitute for Ceylon rice imports. Department observed that any US wheat help which might be possible for Ceylon could not impinge on normal trade.

Byroade said Department would undertake study of situation immediately and without prejudice. Ambassador indicated some urgency in getting US reactions to his approach because fact Ceylon Mission now in Peking.

Department believes that prior to departure Ceylon Mission from Peking it wou'd be tactically unwise for US give to GOC any concrete proposals which might develop from study here.

Desire Embassy comment.

SMITH

[1] There had recently been a number of strikes and protest marches and several incidents of violence resulting from the Ceylon cabinet's decision to reduce the Government's rice subsidy, thereby raising the cost of rice for the general population. More detailed information is contained in Department of State file 746E.00 for the months of August and September 1953.

846E.2317/9–2353 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State[1]

SECRET PRIORITY COLOMBO, September 23, 1953—noon.

89. Re Deptel 66, September 15.[2] Embassy concurs with Department that it would be unwise for US give GOC any concrete proposals in present situation.

Embassy has not yet been able obtain definite information regarding rice purchase negotiations Rangoon or accomplishments Peking talks. Press this morning announced signing Peking agreement for second year's rice-rubber exchange but gave no information re terms. Ceylon delegates due return by next week and Embassy will endeavor obtain and transmit information re agreement.

Sir Oliver Goonetilleke informed Embassy privately that his Rangoon talks had been so successful that he would be able reduce retail price rice by rupee cents 15 or 20 per measure. He did not quote and has not announced specific figures amounts or prices rice Burma will furnish. It appears likely concessions were obtained Rangoon that were used strengthen position Ceylon negotiators Peking.

Embassy believes it likely that Corea approach made not so much in hope that satisfactory concrete offer from US would be received as with idea of "keeping open the telegraph wire to Washington" with eye to some possibly favorable future developments and in order that Ceylon might continue reiterate statements that it turned to Communist world only after failure appeals to US to produce assistance to extent needed.

Domestic political situation Ceylon uncertain at moment. Prime Minister Dudley Senanayake, overtired and apparently half ill from worry and possibly feeling inadequacy, is almost daily threatening resign and then permitting himself be persuaded continue. His irresolution has now become matter general public concern and discussion to extent that is seriously damaging his personal prestige. Even people who have always supported Dudley in past and who have been critical of Sir John Kotelawala's attitude when he was passed over for Prime Ministership are now saying that wrong man was chosen. Uncertainty, as to whether succession can be passed amicably as result rivalry between Sir John Kotelawala, who is as leader House obvious successor, and Finance Minister Jayewardene, who is also reportedly making bid for successorship and whom Dudley said to favor, appears be principal motive behind continuing but increasingly less hopeful efforts persuade Dudley remain. His vacillation seems have tried patience most associates to extent that would influence them wish him Godspeed were successorship clear.

[1] Philip K. Crowe replaced Joseph Satterthwaite as U.S. Ambassador to Ceylon on Sept. 19, 1953.

This telegram was repeated to London for information as telegram 21.

[2] *Supra.*

Embassy believes difficulties present domestic situation arise primarily from irresolution Prime Minister and resulting weakness GOC as presently constituted and pose problem that Ceylonese must solve themselves. Situation is not at the moment of nature to lend itself to solution by foreign aid financial or otherwise. Embassy does not believe Ceylon at this time requires foreign financial support preserve internal stability. Primary need is government with resolution to govern. Without this foreign aid is useless and with this foreign aid would be of secondary importance.

As indication magnitude problem involved in terminating Ceylon-Red Chinese rubber-rice trade Embassy study indicates benefits existing deal approximately as follows:

By September 1 Ceylon has shipped 35,000 metric tons rubber to Red China under the five year trade agreement at estimated gross profit over and above Singapore market prices of over $10 million. In absence material rise Singapore rubber prices Ceylon should receive additional gross profit on balance 15,000 tons rubber to be shipped on this year's contract of approximately $5 million. Savings to Ceylon on low price China rice compared with Burmese rice amount to an estimated $4.5 million. Benefits to Ceylon China rice-rubber deal in 1953 therefore likely total approximately $19 to $20 million.

CROWE

846E.2395/9–2953 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State[1]

CONFIDENTIAL COLOMBO, September 29, 1953—5 p. m.

94. Reference Embassy telegram 89, September 23,[2] Embassy despatch 184, September 25.[3]

Press today announces prices 1954 Ceylon-Communist China rubber-rice agreement as 49 pounds sterling a metric ton for China rice and 28 pence sterling per pound for Ceylon rubber representing about 9 percent and 12.5 percent reductions respectively from prices of 54 pounds for rice and 32 pence for rubber in 1953 agreement.

Minister Agriculture and Food Goonetilike confirmed price rubber, but said that rice price reduced to 47 pounds per metric ton. He explained press error as follows: Because Ceylon must furnish bags and pay certain other extra costs on Chinese rice and because Chinese rice prices metric tons and Burmese long tons,[4] it is necessary add about 2 pounds to basic agreement price Chinese rice to arrive at correct cost comparison with Burmese. Therefore, basic price and actual cost rela-

---

[1] This telegram was repeated to London for information as telegram 25.
[2] *Supra.*
[3] Despatch 184, not printed, reported a meeting between Vaithianathan and a U.S. Embassy official at which the recent Ceylonese rice rubber negotiations with China were discussed in general terms (446E.9331/9–2553).
[4] A metric ton contains 2,204.6 lbs., compared to 2,240 lbs. in a long ton.

tionships Chinese rice are: 1953 agreement 54 and 56 pounds, 1954 agreement 47 and 49 pounds.[5]

This represents rice price decrease about 13 percent in 1954.

Basic 1954 price of 28 pence for Rss one sheet rubber is approximately 55 Ceylon cents premium over average September Singapore price to date. Such an average premium on 50,000 metric tons rubber to be sold China in 1954 would provide Ceylon with a profit of between 12 and 13 million dollars over present Singapore prices.

Press reports Burma offering Ceylon five-year contract at sliding scale prices for any quantity rice between 250,000 to 600,000 metric tons a year. Present rice rations require about 475,000 metric tons annually. With 270,000 tons available under China deal, Ceylon would require about 200,000 metric tons additional from other sources. This does not take into account possibility increase local yields and production paddy.

Goonetilike confirmed press reports and said he could meet Ceylon's rice requirements entirely from Burma, but had not made firm agreement Burma, pending conclusion Peking talks. Chinese showed determination give almost entirely barter character to trade and raise question how they were to pay for rubber if Ceylon did not take their rice. In still continuing talks, they are showing disposition widen scope of trade providing barter basis further extendable and among other things exploring possibility exchanging coal for Ceylon coconut oil.

Goonetilike indicated rice-rubber contract would come before Ceylon Cabinet for ratification at next meeting October 8.

CROWE

[5] For the 1953 figures, see footnote 3, p. 1561. The new rice price of 49 pounds per metric ton offered by China represented a 0.9 cent per pound reduction from the contract price for 1953.

846E.2395/9–2953 : Telegram

The Secretary of State to the Embassy in Ceylon

SECRET NIACT WASHINGTON, October 3, 1953—3:25 p. m.

81. FYI only. Department concurs general sentiment your telegram 94.[1] It would appear that U.S. interest dictates sincere effort in response to Corea on possibility, if not probability, that concrete proposals may help (*a*) reduce flow strategic commodity to Commie China, (*b*) get Ceylon "back in step", (*c*) reduce Ceylon dependence on Commie China markets and supply.

If Ceylon met legal requirements of U.S., i.e., ceased shipments to Commie China, U.S. might make following type proposals which not yet firm in Department or Executive Branch:

1. Rice

(*a*) US supply up to 50,000 tons wheat as rice substitute under Section 550 MSA, estimated value up to $5 million. Statute requires price

[1] *Supra.*

be consistent with maximum world market prices; Ceylon put up local currency equivalent which would be used as part US economic aid in Ceylon. Possible but not probable other Section 550 US surplus commodities may be used get rice for Ceylon from third country. Such commodities cannot replace regular free world purchases. US Department of Agriculture would aid and advice Ceylon purchase US rice.

2. Rubber

(*a*) Not proposing preclusive buying.
(*b*) Additional stockpiling rubber appears not feasible, but GSA willing buy from all sources perhaps 100,000 tons rubber year for rotation purposes. GSA willing contract 100,000 tons, apportioning contracts among rubber producing countries. Ceylon's share world production low. Contemplated procedure, however, would be tell Ceylon we will perhaps consider contracting for Ceylonese rubber and from all sources for stockpile rotation at world market price without committing ourselves to any quantity in initial discussion. If Ceylon indicated interest producing countries would be invited offer amounts. Would attempt workout contract quantity for Ceylon which might be helpful Ceylon (say 20,000 to 25,000 tons) and still be on basis some principle applied equally all producers.

3. US technical and economic assistance to Ceylon in approximate amount $7.5 million including:

(*a*) Local currency derived from up to $5 million surplus wheat 1 (*a*) above.
(*b*) Technical assistance for purposes in (*c*) below and related purposes about $450,000;
(*c*) Economic assistance combined with (*b*) above for rehabilitation or conversion marginal rubber plantations, irrigation, agricultural extension, etc., of about $2 million foreign exchange costs. This amount aid not on recurring basis since Congress determines annual appropriations.

Believe offer should attempt find balance between magnitude needed have chance of being effective achieving US objectives and realization that excessive amount of aid to Ceylon at this time might react disadvantage US by damaging our relations with other countries in the area.

If response to Corea to be of use, believe must be made by October 6 in view GOC cabinet meeting October 8 on Commie Chinese arrangement. Desire Embassy comment soonest on proposal as a whole, and on individual sections, including need to make such response to Corea, magnitudes proposed, and possibility or advisability deletion or amendment any parts of proposal. End FYI.

DULLES

446E.2331/10–453 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

SECRET NIACT COLOMBO, October 4, 1953—8 p. m.

97. Re Deptel 81, October 3.[1] Official communiqué issued this week end reports ratification Burmese four year rice agreement and 1954

[1] *Supra.*

prices Chinese rubber-rice contract at special cabinet meeting October 2.

Chinese rubber-rice prices as reported Embtel 94 September 29.[2]

Burmese rice prices on yearly purchases minimum 200,000 to maximum 600,000 tons are as follows: 1954, 50 pounds sterling; 1955, 48; 1956, 46; 1957, 44. Kotelawala, who now presiding over Cabinet in absence Prime Minister, informed Embassy privately that Chinese offer trade coal for coconut oil refused as Ceylon prefers buy Indian coal. He characterized Burma agreement as gamble, view possibility world conditions could produce declines rice market, but considers risk worth taking as he believes agreement may permit reduction retail price rice to rupees cents 55 per measure without increasing subsidy.

Press today reports Kotelawala as predicting reduction rice price and abolition rationing system and suggesting possibility turning over to private trade import and distribution rice. He is already under criticism by some UNP members house and government officials who call these pronouncements premature.

Goonetilike, Minister Foods, and Jayewickreme,[3] acting Minister Commerce, both privately informed Embassy that Ceylon was disappointed by failure efforts persuade Red Chinese take rubber tonnage over and above 50,000. Latter said Ceylon Government now planning buy at same price fixed for purchases on account Red Chinese contract additional amounts sheet rubber available estimated up to 10,000 tons that would be sold on open market at loss covered by government from stabilization fund established from part of profit Red Chinese sales.

Embassy has impression from remarks ministers refusal coal coconut oil barter proposals may reflect such awareness.

It appears:

(1) Ceylon now in position satisfy entire rice import needs from Burma under terms that protect it from rice free market prices on 600,000 tons and allow it take advantage market declines on amount over 200,000 tons.

(2) Advantage rice purchases Red China over Burma in 1954 greatly decreased as compared 1953 and Red Chinese rice now being taken largely on Chinese insistence as means payment for rubber. (Re Embtel 94, September 29 next to last paragraph.)

(3) Crux problem continues be determination Ceylonese exploit opportunity sell rubber at premium over freer market price. For so long as this opportunity open it is unlikely that any counter-offer, which does not present approximately equal advantages over sale rubber free market, would be acceptable Government Ceylon. Benefits Ceylon Red Chinese 1954 rubber contract approximately $13 million.

(4) In view availability rice, offer wheat not likely present great

[2] *Ante*, p. 1581.

[3] Maj. W. G. M. Jayewickreme.

attraction. Government has in past failed in attempts reduce rice consumption by offering wheat flour free for rice ration coupons.

(5) Technical assistance now being generously received through Colombo Plan and UNTA. Idea increased technical aid not likely present wheat attraction as criticism freely being made both publicly and privately that there are already too many foreign experts here for results achieved.

In view developments and considerations set forth above Department may desire before formulating concrete proposals further explore matter with Corea in effort ascertain amount economic assistance that in his opinion might provide sufficient counterattraction to interest Ceylon.

CROWE

746E.5 MSP/10–653

Memorandum of Conversation, by the Deputy Director of the Office of South Asian Affairs (Smith)

SECRET WASHINGTON, October 6, 1953.

Subject: Possible US Assistance to Ceylon

Participants: Sir Claude Corea, Ambassador of Ceylon
Mr. H. Shirley Amerasinghe, Counselor, Embassy of Ceylon
NEA—Mr. Jernegan
SOA—Henry T. Smith

Sir Claude called on Mr. Jernegan today at the latter's request.

Mr. Jernegan first referred to Sir Claude's conversation with Mr. Byroade on September 14 [1] in which the Ambassador had raised the question of possible US assistance which might enable Ceylon to withdraw from its trade agreement in rice and rubber with Communist China. He then stated that we had learned that the Government of Ceylon had on October 2 approved a new agreement relating to prices on rice and rubber and asked what effect that had on Sir Claude's approach.

Sir Claude replied that his approach could no longer be considered "on that basis."

Mr. Jernegan observed that the US Government had given considerable thought and study to the problem and had almost arrived at a number of proposals which he had thought would "fill the bill" for Ceylon. He had thought, however, that the Ceylon Cabinet was not going to consider the rice-rubber contract for some days yet and he was surprised at this early approval.

Sir Claude replied that he had made it clear in his earlier visit that his approach did not emanate from the Government of Ceylon, but had been the result of his evaluation of several considerations which

[1] Summarized in telegram 66 to Colombo, Sept. 15, 1953, p. 1579.

he had mentioned previously. He continued that he had told Mr. Kennedy some time ago that the Ceylon Cabinet might consider the contract with Communist China within a few days.

Mr. Jernegan referred to our efforts in working up an aid program for Ceylon, and commented that nevertheless our proposals would not have been of a magnitude to equal the profit which Ceylon was making on its trade with China. The US was not impelled by the same political considerations as China, and US policy would not permit such an aid program. He then again asked whether there was anything Sir Claude wanted us to do with regard to his original approach.

Sir Claude again said no, not on that basis. He continued that he was not happy with conditions in Ceylon. The opposition was gaining strength. New elections would come up within a few years and he was concerned about the outcome. He hoped that we could do something to strengthen the present government, regardless of the Battle Act.

Mr. Jernegan asked whether a victorious opposition would be communist.

Sir Claude replied that it probably would be a coalition in which the communists would play a prominent part.

Sir Claude continued that he had observed that there appeared to be some relaxation on trade controls, particularly with regard to Japan, and that even in the beginning under the Kem Amendment and the Battle Act certain trades by some countries had been excused, and he hoped that some exception might be made for Ceylon.

It was explained to Sir Claude that the exceptions which he had noted had not been with regard to Communist China, that there had been no general relaxation of US trade controls, and relaxation of Japanese controls did not relate to strategic materials.

Mr. Jernegan continued that US public opinion would not permit our Government to give aid to a country that was sending rubber to Communist China and that the other rubber producing countries certainly would not understand it. US policy up until now would not permit such assistance and there was no indication that there would be any change during the present fiscal year.

Editorial Note

On September 14, 1953, the Department of State sent telegrams to the Embassies in London, Paris, Rome, and Colombo requesting their advice on whether the United States should continue its embargo of sulphur to Ceylon, particularly in view of the refusal of the United Kingdom, France, and Italy to withhold sulphur from Ceylon over the past year (446E.009/9–1453). In telegrams 1261 from London, September 23, and 92 from Colombo, September 25, both the Embassies at

London and Colombo replied that they favored the discontinuance of the United States embargo. They expressed the belief that continued United States refusal to ship sulphur to Ceylon would have little effect on Ceylonese rubber production but would only serve to aggravate United States–Ceylon relations. The Embassy in London doubted, in any event, that the United Kingdom would be inclined to cooperate with the United States in withholding future sulphur supplies from Ceylon. (446E.009/9–2353; 446E.009/9–2553) The Embassy at Paris in telegram 1243, September 25, indicated that France would in all likelihood permit exports of black sulphur to Ceylon and stated that French officials would consider the abandonment of the United States embargo to be "realistic" in the absence of any strong international support for United States policy (446E.009/9–2553). In despatch 686, September 22, the Embassy in Rome advised against the United States resuming sulphur exports to Ceylon on the grounds that such an action might convey to United States allies a softening posture toward Communist aggression. It, however, offered little hope that Italy would withhold its huge stocks of high-priced black sulphur from the Ceylon market if there were to be a demand for it. (446E.009/9–2253)

446E.119/11–553

Memorandum by the Bureau of Foreign Commerce [1] *Member to the Chairman of the Operating Committee (Sawyer)* [2]

SECRET [WASHINGTON,] October 30, 1953.

OC Document 1120

Subject: Dusting Sulphur for Ceylon

BFC recommends the resumption of licensing of dusting sulfur to Ceylon. This recommendation is made to the Operating Committee at this time, following review by the P.D. 810 Consulting Group at meetings of October 14 and October 19, 1953.[3] The Consulting Group failed to concur in the BFC proposal with State, Defense and the ACEP staff member expressing the view that the sulfur question should not be considered separately from the question of general U.S. policy toward Ceylon with regard to trade in strategic goods. It was the opinion of the group, however, that it was not improper to consider dusting sulfur as a P.D. 810 problem, under the concept of a production material as expressed in Section VI. Dusting sulfur, in this view, is a necessary material for the production of natural rubber, being an insecticide essential to the growth of rubber trees. Ceylon is currently shipping natural rubber to Communist China.

---

[1] The Bureau of Foreign Commerce (BFC) was the new name for the Office of International Trade (OIT). The writer of this particular memo was not identified.

[2] See footnote 1, p. 1547.

[3] No minutes or summaries of these meetings were found in Department of State files.

Sulfur is rated IL II and, dusting sulfur US IIB and IL III.[4] It was BFC's contention in the Consulting Committee, from which there was no serious dissent, that the conditions for exceptional approval, as set out in PD 812, Sect. V B, Par. 4(*a*) had been met, namely: (*a*) the negotiating history clearly indicates that assurances are not to be expected; (*b*) the withholding of approval of licenses in question will have no significant effect in decreasing shipments of rubber by Ceylon; and (*c*) approval of the applications will not affect the willingness of Ceylon to grant assurances in other items.

General U.S. Policy Affecting Ceylon

Ceylon has been favorable to the West with the exception of this rubber trade, and has agreed to all U.S. and international requests concerning limiting shipments of strategic materials to Communist China and the Soviet Bloc. In an effort to induce Ceylon to embargo or at least materially restrict rubber shipments to China, the U.S. Government has undertaken the following:

1. Withheld U.S. assistance under the Mutual Defense Assistance Act;
2. Made an offer to purchase the rubber in question, rather than allow it to go to China, which Ceylon rejected on economic grounds;
3. Refused to bunker ships carrying rice and rubber in Ceylon's trade with China; and
4. Embargoed shipments of dusting sulfur to Ceylon, and other materials directly required for the production of rubber.

To the present time none of the individual actions listed above has been effective, and the entire program has brought us no closer to the ultimate objective of cutting off Ceylon's rubber shipments to China. This is evidenced by the recent conclusion of the 1954 contract under the five year rubber-rice agreement between Ceylon and China.

It is not our purpose in this paper to attempt fully to analyze the reasons for the failure of this general U.S. policy objective with regard to Ceylon. Among the factors mitigating against the success of U.S. policy, however, are the following:

---

[4] International Lists were established in 1949 by an informal Consultative Group consisting of the United States, Canada, and several Western European countries for the purpose of preventing or curtailing the shipment of strategic materials to Communist countries. International List (IL) I consisted of items of direct military value which were to be withheld from Iron Curtain countries. Of these arms, ammunition, implements of war, and nuclear materials fell under Category A; all other items considered to be of strategic importance but which did not necessarily have a military or nuclear application were subsumed under Category B. IL II contained other strategic commodities whose shipment was to be "controlled", or permitted only to a limited degree. The traffic to Soviet bloc nations of IL III goods, which were only indirectly related to military capabilities, was to be kept under surveillance in case future developments warranted their curtailment. Materials on all three lists were embargoed to North Korea and Communist China. (For further details on the operation of Battle Act trade controls, see the reports to Congress on the Mutual Defense Assistance Control Act of 1951.)

1. The importance of rubber to the economy of Ceylon. Rubber constitutes 20–30% of Ceylon's export trade;
2. The importance of an assured supply of rice to Ceylón, which constitutes the means by which China pays for the rubber;
3. The relative lack of dependence of Ceylon on trade with the U.S., and the traditional ties of Ceylon with the U.K. and Commonwealth countries;
4. The unwillingness of the U.K. to join the U.S. in withholding rubber under its own control from the Bloc, and the consequent support given by the U.K. to Ceylon's position both directly an indirectly.
5. The relative unimportance of U.S. assistance to Ceylon, which had consisted of technical assistance only.
6. The general decline in world prices for rubber, and the especially serious impact of such a decline on Ceylon, which is a high-cost producer of rubber relative to its competition in Malaya and Indonesia.
7. The unwillingness or inability of the U.S. and the rest of the Free World to offer Ceylon a practicable long-term solution, in terms of rubber procurement and supplies of grain.

For the reasons cited above, and perhaps others, U.S. policy to date to reduce or cut-off Ceylon's shipments of rubber to China have been fruitless. We are aware of no changes in the factors cited above which would indicate greater success in the future of present U.S. policy. Furthermore, we are aware of no new proposals to make the present policy effective.

General Policy Alternatives

In terms of general U.S. policy to withhold Ceylon's rubber from Communist China, there would appear to be basically only three alternatives available at this time:

1. To reaffirm the general policy and intensify efforts to convince the Government of Ceylon to cooperate;
2. To reaffirm the general policy but not to develop increased pressure to implement it; or
3. To abandon the policy as incapable of being achieved under present circumstances.

It is the view of BFC that dusting sulfur ought to be freely licensed to Ceylon under all three alternatives. This conclusion is based on the opinion that withholding dusting sulfur as such provides no leverage in negotiation with Ceylon—regardless of whether this control is taken alone or in conjunction with other controls now in effect or to be put into operation in the future. The sections below amply demonstrate the ineffectiveness of the embargo in the past, and indicate why it is not likely to produce any impact in the foreseeable future.

Ineffectiveness of Present Sulfur Embargo

The policy of withholding dusting sulfur from Ceylon was adopted at time of a world-wide shortage of sulfur and particular need for insecticidal sulfur on the part of Ceylon. Ceylon was deprived of U.S. sulfur for a period which threatened the rubber crop, but the planta-

tions were saved by timely shipments from the U.K., France and Italy. In August 1952 Ceylon received 56.4 long tons of sulfur (35 L.T. from U.K. and 21.4 L.T. from Germany), and 704 L.T. in the following month (Italy 324.8; France 254.7; U.K. 118; other 6.5). These shipments effectively aided Ceylon over the crisis period.

Analysis of Ceylon's requirements for sulfur and an appraisal of supply prospects, indicate that approximately 4,000 L.T. per year are necessary, and this can be met entirely from non-U.S. sources. In 1952 Ceylon imported a total of 4,070 L.T., supplied as follows: Germany 37%, Italy 23%, U.K. 14%, Canada 9%, France 6%, and the balance from 5 other countries. In 1953, through September, Ceylon had issued import certificates for 6,390 L.T., as follows: France 2,000; Canada 1,300; Germany 1,027; Italy 584; U.K. 547; Sweden 564; U.S.A. 500. Presumably import certificates have been issued in excess of requirements by about 50% in an effort to build up reserves.

It has been suggested, even by those who frankly admit the failure of the present embargo on sulfur to Ceylon, that an intensified effort involving sulfur shipments to countries which are in turn supplying dusting sulfur to Ceylon might offer significant prospects for success. In this view the U.S. would take advantage of its position as the predominant supplier of natural sulfur for the free world and use our position as a means of forcing the U.K., France, Italy, Germany, etc. to adopt a policy of embargoing dusting sulfur to Ceylon. Although superficially this course might appear to have merit, it is evident that it has as its basis a very serious and questionable premise—that is, that a coercive attempt to withhold sulfur will succeed in international negotiations with our major allies when direct negotiations with them with regard to rubber have failed. In this view, sulfur would appear to offer no new approach to this problem other than providing an excuse for taking this matter to the very highest levels in international negotiations. If the strategic significance of rubber is deemed to require such high level treatment, it would appear to us better that the negotiations take place on this ground rather than on the less germane question of sulfur.

Conclusion

From the above it appears that Ceylon no longer needs U.S. sulfur, although it would presumably buy U.S. sulfur for reasons of price, assured deliveries, etc. It follows therefore that the U.S. is not likely to induce Ceylon to withhold shipments of rubber from China, as called for by the recent 5-year Ceylon-China rubber-rice agreement, by further restriction on shipments to Ceylon of sulfur.

It is evident that the U.K., France, Italy and Germany are not disposed to cooperate with the U.S. in withholding sulfur from Ceylon, as is indicated by the unsuccessful negotiations to date, recent

allocations by U.K. for Ceylon, and general lack of interest displayed by the U.K. in withholding rubber from the Bloc.

Therefore further U.S. embargo of sulfur to Ceylon appears to serve no useful purpose under present circumstances.

Recommendation

The BFC recommends that the U.S. discontinue the present policy of withholding sulfur from Ceylon, on the ground of its obvious failure in the past and indications of lack of success in the future. Unless the U.S. is prepared to undertake a new and vigorous approach to Ceylon and/or Western countries shipping rubber to the Bloc, the continuation of the U.S. embargo on sulfur serves no purpose. In the event of adoption of a new and vigorous approach, it would be necessary to examine the place, if any, of sulfur controls. It is our preliminary view that sulfur offers no more satisfactory lever for such an intensified program as it does for the present program.

446E.119/11–553

Memorandum by A. Guy Hope of the Office of Chinese Affairs to the Director of That Office (McConaughy)

SECRET [WASHINGTON,] November 5, 1953.

Subject: Urgent requirement for statement of position on Ceylon: export of dusting sulfur and bunkering of rice-rubber ships

1. *Dusting sulfur: Commerce position:*

The Operating Committee, an interdepartmental advisory group to the Secretary of Commerce, has called a meeting for 2 p.m. today to consider a paper submitted by the Bureau of Foreign Commerce (new name for OIT) recommending the resumption of licensing of dusting sulfur to Ceylon (Tab A).[1]

If it argued that the withholding of sulfur (used by the Ceylonese as an insecticide in spraying rubber trees) has not caused Ceylon to withdraw from its sales of rubber to the Chinese Communists, and Ceylon has been able to obtain supplies of dusting sulfur from several of our European allies, including the U.K., despite U.S. protests.

Commerce states that the only basis on which it would consider continuing to withhold sulfur shipments to Ceylon is a renewed, vigorous U.S. approach to Ceylon and/or Western countries shipping rubber to the Soviet Bloc. Even then Commerce doubts the effectiveness or usefulness of including sulfur denials as a weapon against the trade in rubber to Communist China.

2. *Sulfur and bunkering: MDAC position:*

Yesterday afternoon I was invited to a meeting in Commerce with Mr. Braderman, chief of the Far Eastern Division of the Bureau of

[1] See OC Document 1120, *supra*.

Foreign Commerce, and Mr. Hale, Far Eastern adviser to the Battle Act Administrator. There I was presented with Tab B, a paper prepared by the MDAC staff [2] following meetings of an *ad hoc* interdepartmental group (with Mr. Goodkind of EDS [3] sitting for State).

This paper postulates that the denial to Ceylon of sulfur and the refusal to permit U.S. oil companies in the Far East to bunker vessels carrying rice from Communist China to Ceylon as a part of rubber-rice transactions have been ineffective in cutting off the Ceylon-Communist China rubber trade, will not discourage other nations from shipping strategic materials to Communist China, and may be aggravating relationships between the U.S. and Ceylon, the U.K., and other friendly nations and jeopardizing cooperation of our allies in "other economic defense and larger endeavors."

The paper then recommends that the U.S. "disengage itself from existing economic defense policy toward Ceylon" by approving bunkers for the rice ships and by resuming exports of dusting sulfur, but "that the timing and manner of this disengagement be arranged so as to minimize any possible adverse inferences, either here or abroad, with respect to U.S. policy on China-trade control".

Braderman has stated that Commerce could agree to its formula. Treasury and Defense have not been consulted, as far as I am aware. E and EUR can be presumed to like it, and I am certain it would be agreeable to NEA/SOA.[4]

3. *Analysis of factors:*

A. The original Commercial proposition reflects: (1) long-standing Commerce unhappiness with the Ceylon situation and pressure from U.S. sulfur exporters to abrogate the controls over dusting sulfur, accentuated by the sales to Ceylon of sulfur by European suppliers; (2) a Commerce doctrine that trade controls of other nations should parallel those of the U.S., now applied with the reverse twist that the U.S. should relax where other countries refuse to get in line; (3) the philosophy which is attributed to Assistant Secretary of Commerce Anderson [5] that U.S. controls appear generally too restrictive in the light of the uneven application of controls by various countries of the free world, and that we should give more consideration to the needs and desires of American businessmen seeking markets.

B. (1) The MDAC proposal generally reflects Mr. Hansen's [6] dissatisfaction with the ruling of the Secretary of State on the denial

---

[2] Tab B was not found in the Department of State files. The Mutual Defense Assistance Control (MDAC) staff assisted the Director of the Foreign Operations Administration (formerly the Mutual Security Program) in administering the Battle Act.

[3] The Economic Defense Staff (EDS) served in the Office of Economic Defense and Trade Policy in the Bureau of Economic Affairs.

[4] The Office of South Asian Affairs (SOA), which had direct responsibility for Ceylon, was a branch of the Bureau of Near Eastern, South Asian, and African Affairs (NEA), headed at this time by Assistant Secretary Henry A. Byroade.

[5] Samuel W. Anderson.

[6] Kenneth R. Hansen, Acting Deputy Administrator of the Mutual Defense Assistance Control Act.

of bunkers by oil companies under U.S. jurisdiction, and further reflects his understanding of Mr. Stassen's [7] philosophy of easing trade controls where they appear to be ineffective and are provocative to our allies.

(2) The second recommendation (on timing) is an effort on the part of an interdepartmental group under EDAC [8] (in which CA was not a direct participant) to arrive at some formula which might be submitted to the Secretary for a new ruling.

4. *Alternative courses of action:*

FE appears to have the following alternatives:

A. Attempt to maintain the line that it is untimely to consider relaxation of any controls in view of the negotiations with the Chinese Communists.

B. Agree to the MDAC line that these controls have been a mistake but will not be unwound until a political decision is made that such relaxation will not damage substantially the structure of economic pressures against Communist China.

C. Attempt to persuade E, EUR, and SOA that a new, vigorous campaign against Ceylon's supplying rubber to Communist China should be undertaken, accompanied by new pressures against the Western suppliers of rubber to the Bloc; and maintain the sulfur controls as they are, separating out for later consideration the question of bunkers.

5. *Conclusions:*

A. The first alternative accords best with the doctrine of NSC 154/1 and the relevant portions of NSC 152/2, despite arguments by MDAC to the contrary. We must recognize that the Department is being attacked in influential quarters as being unreasonable and responding to political pressures without regard to the total interest of the U.S. in keeping its allies friendly for the long struggle ahead. The Department is charged with inconsistency in having unilaterally announced relaxations in the case of Japan, and in having urged the case for non-opposition to British proposals for disembargo on antibiotics, while trying to maintain a rigid line in the Ceylon cases. Opponents cite NSC 152/2 as a general statement calling for liberalization of trade controls, and ignore the exceptions set out in that paper with regard to controls directed against Communist China.

B. The second course would establish a precedent that every action which offended some ally, and which did not stop some undesirable trade, should be abrogated. U.S. authority would be terribly weakened in the eyes of nations which expect us to be reasonably firm on basic moral issues.

C. From the long history of these difficulties with Ceylon and even older problems with U.K. shipments of rubber to the Soviets, it is ap-

---

[7] Harold E. Stassen, Director of the Foreign Operations Administration.

[8] The Economic Defense Advisory Committee (EDAC) was an interagency committee set up to coordinate government activities in support of the enforcement of Battle Act provisions. The committee consisted of representatives from the Departments of State, Defense, Commerce, Treasury, and Agriculture in addition to other government agencies.

parent that none of the three areas mentioned would go along with the third course.

6. *Recommendations:*

That the Department take the following position in the Operating Committee:

A. The Department would favor a re-examination of controls applied against Ceylon in connection with rubber shipments to Communist China only under one of the following conditions:

(1) It is demonstrated that such controls are, in fact, jeopardizing our relations with Ceylon to the point where real and immediate danger exists that Ceylon will become dominated by Communism;[9]

(2) the Chinese Communists have demonstrated by word and action that the essential character of the regime has changed so that a real desire exists for peaceful settlement of outstanding problems in the Far East;

(3) there is a basic change in the U.S. view of the strategic nature of rubber, and controls over rubber are abrogated.

[9] The phrase, "Ceylon will become dominated by Communism," is crossed out in the source text. However, the words, "a rupture may occur," which appear to have been penciled in as a replacement, are also crossed out. The existence of two check marks over the original phrase suggests that in the final review it was reinstated to read as printed.

611.46E/12-2353

Memorandum of Conversation, by the Director of the Office of South Asian Affairs (Kennedy)

SECRET WASHINGTON, December 23, 1953.

Subject: Various Items Involving U.S./Ceylon Relations

Participants: Sir Oliver Goonetilleke, Minister of Finance, Ceylon
NEA—Mr. Byroade
SOA—Mr. Kennedy

Sir Oliver Goonetilleke opened the conversation by stating that his Government was strongly anti-Communist. He knew our position with respect to the Chinese Communist rice/rubber deal and understood our legal position re no aid to Ceylon, and hence was not asking for financial assistance. He hoped, however, that it was understood here that this transaction was considered by his Government as merely a question of trade. One bit of evidence that this was so was his Prime Minister's refusal to accept a goodwill mission from Communist China although Chou-En-lai had made the request during the recent negotiations for the coming year. This request had been discussed in the cabinet meeting at which time de Fonseka (Ceylon's Ambassador to

Japan and head of the negotiating mission to Peiping) had urged it. The cabinet had decided, however, that they would rather forego the deal (adequate rice was now available in Burma) than accept such a mission.

Sir Oliver next gave an interesting account of the August disturbances caused by the reduction in the rice subsidy. At one point, all rail and road transport was closed down, and there was much looting going on together with the burning of buildings in Colombo. The former Prime Minister (Dudley Senanayake) early in the afternoon of the first day asked Sir Oliver to go to the leaders of the demonstration and ask for terms. Sir Oliver said that Dudley had lost his "guts" and reported that he had told the Prime Minister that such a step would be suicidal and that he, Dudley, should go along to his Council meeting while he, Sir Oliver, undertook additional steps. These included shooting on sight, six o'clock curfew, and no bail. Within two days order was restored.

Mr. Kennedy referred to press stories on military aid to Pakistan and said that he thought Mr. Byroade would be interested in Ceylon's attitude if such aid were extended. Sir Oliver said in a very positive manner that he hoped we would go through with military aid for Pakistan if we had it in mind. He begged the British to maintain strength in Trincomalee, which they had not done, and he was afraid that some time India might move in on Ceylon with a request for base rights there. With no one in possession in strength, Ceylon would be in a very poor position to resist. Also, he said that he was afraid India's attitude of neutrality would lead it to neutralize Ceylon in case of war, although Ceylon had always stated that it would be on the side of the West in the event of hostilities. This danger would be all the greater if neither ourselves nor the U.K. were present in strength in the area.

Mr. Byroade inquired how the talks were going at the World Bank. Sir Oliver replied that everything was satisfactory except for one small technicality. The Bank wanted an independent Authority established to administer operations involving electricity. At one time there had been such an Authority but it had not worked satisfactorily. The present Prime Minister, at that time the responsible Ministry in this area, had abolished it and placed operations under the Ministry. It would now be politically impossible for him in so short a time to reverse himself. There was no difference in substance and he, Sir Oliver, was prepared to write Mr. Black, President of the Bank, a letter stating that he would make all the changes in the operating procedure which the Bank wished. (These included matters relating to hiring and firing of personnel, pay scales and budget presentation.) Mr. Byroade said he would look into the question and see if there was anything he could do. If it would be helpful, he would be willing to call Mr. Black.

711.56346E/1–554 : Instruction

The Secretary of State to the Embassy in Ceylon [1]

TOP SECRET WASHINGTON, January 5, 1954.

CA–3476. Reference is made to the Department's instruction No. 15 of May 28, 1953,[2] the Embassy's despatch No. 774 of June 27, 1953 [3] and to previous correspondence on the subject of the possibility of obtaining U.S. military rights in Ceylon. The Department's instruction No. 15 enclosed a "Statement of U.S. Military Requirements". It is understood that such requirements remain approximately as outlined in the Statement, with priority possibly being given to rights for the establishment of communications facilities.

The Department would appreciate at this time the Embassy's estimate as to the practicability and desirability of opening negotiations with the Government of Ceylon for the rights outlined in the Statement and the Embassy's comment with respect to the related questions which are specified in the Department's instruction No. 15, May 28, 1953.

The Department is requesting the Embassy at New Delhi for an estimate of the Government of India's reaction to a request for U.S. military facilities in Ceylon should it be made and become known, and the effect on United States-Indian relations and Indian-Ceylonese relations of the establishment in Ceylon of United States military facilities. A copy of the Department's instruction to New Delhi is enclosed.[4]

DULLES

[1] This instruction was repeated for information to New Delhi.
[2] *Ante*, p. 1572.
[3] *Ante*, p. 1573.
[4] Department instruction CA–3475 to the Embassy in New Delhi, Jan. 5, 1954, requested an estimate of India's anticipated reaction to the establishment of a U.S. base in Ceylon (711.56346E/1–554).

711.56346E/1–2154 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

TOP SECRET NEW DELHI, January 21, 1954—5 p. m.

1155. Indians would react strongly and automatically against US military facilities in Ceylon (CA 3475 January 5).[2] Coming on top of proposed military aid to Pakistan, reaction would take form of greatly intensified propaganda and official outbursts against US. Indians would allege US was endeavoring to encircle India with bases; would protest that Ceylon would become prime target in an atomic war; and would intensify accusations US trying wreck Nehru's non-alignment policy.

[1] This telegram was repeated for information to Colombo as telegram 38.
[2] See footnote 4, *supra*.

Nehru would probably bring every pressure he could to bear on Kotelawala to reject US request and would undoubtedly instruct Congress Party and all Indian diplomatic missions abroad to agitate against it. Further charges of imperialism, colonialism, war-mongering would be made against US.

While GOI would probably not say so publicly, many Indians would also jump to conclusion that US bases in Ceylon would incline US to support Ceylonese in dispute between India and Ceylon over status of Indian residents of Ceylon. This feeling would be especially intense in South India, principally in Madras and "Tamiland".

Nehru's personal reaction would be especially bitter because he would regard grant of bases to US in Ceylon as running directly counter to his efforts to develop South Asia into "third area", under his leadership, not aligned with any power bloc.

I hope Department will not approach GOC in this matter unless there is considerable likelihood of success. Failure would incur all disabilities without any compensating advantages, and Nehru would win resounding victory at our expense.

At same time, if there are adequate grounds for thinking facilities would be granted, I believe approach to Ceylon should be made despite immediate and strong reaction against US in India. I believe long-range Indian national interests lie with free world and that more and more Indians will become disillusioned with so-called neutralist or independent foreign policy of GOI. Firm attitude on our part in supporting elements in this area willing to align themselves with us under collective security program will encourage them to declare themselves openly, whereas weakness or vacillation on our part in face of Nehru's displeasure would build up his ego and make him increasingly difficult to deal with.

Perhaps I should add, paradoxical as it may seem, that in my opinion present GOI is probably more satisfactory, on balance, than any we would be likely to encounter if Congress Party were overthrown. I would not favor a policy designed either to uphold or unseat Congress Party or Nehru's leadership. I do not rule out possibility that Nehru himself may be forced, grudgingly, to change of foreign policy, but whether he stays in office or not is incidental to our objective of helping this part of world strengthen its posture against threat of Communist aggression. We should hew to our line and let question of local leadership in India or elsewhere take care of itself.

ALLEN

746E.13/1–2954 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

SECRET COLOMBO, January 29, 1954—3 p. m.

233. Prime Minister told me this morning that even though he feels

he made a good deal with Nehru on the Tamil question during his recent trip to New Delhi he continues to oppose Nehru's desire to form a neutral Asian bloc. He reiterated his former statement to me that his primary reason in calling a conference of Prime Ministers in Ceylon in April is to confer on methods of fighting Communism.[1] He added that he would vigorously oppose the introduction into the agenda of the Pakistan arms issue, Kashmir, or other purely sectional matters. He queried me on his trip to the US and said he would greatly appreciate an invitation to visit Washington after the Southeast Asian Prime Ministers conference here.[2] He felt that he would then be in a position to give the President a clear picture of the situation in this part of the world. I personally feel that in view of the above it would be wise to invite him.

CROWE

[1] Kotelawala on Jan. 5 addressed formal written invitations to the Prime Ministers of Burma, India, Indonesia, and Pakistan to attend the South East Asian Prime Ministers conference in Colombo, April 1954 (despatch 366 from Colombo, Jan. 12, 1954; 790.13/1–1254).

[2] The Prime Minister brought up the subject of a visit to Washington in a conversation with Ambassador Crowe, Dec. 25, 1953. Kotelawala stated that he would very much like to discuss the whole matter of communism in South East Asia with President Eisenhower (telegram 192 from Colombo, Dec. 25, 1953; 746E.00/2–2553). The Department replied on Jan. 29, 1954 that it did not intend to invite him in the near future since it believed that there was no matter to be discussed with him which could not effectively be handled in Colombo by the Ambassador (airgram A–75 to Colombo, Jan. 15, 1954; 746E.13/12–3053).

711.56346E/2–254

The Ambassador in Ceylon (Crowe) to the Department of State

TOP SECRET

COLOMBO, February 2, 1954.

No. 401

Subject: Possible US Requirements in Ceylon

Reference: Department's CA–3476, January 5, 1954[1]

The Department's instruction under reference inquires whether the Embassy considers it practical and desirable to attempt to negotiate now with the Government of Ceylon for facilities in this country for our Armed Forces.

I have sought to make as thorough a study as possible of this question but have concluded that the reply I can now make can only be of a limited nature. To give a more positive response and to be more helpful I believe that the Embassy requires further information from our Government on such questions as the full nature of our military needs here, how we propose to attain them and what we can give in return. Thereafter I venture to hope to be able better to assist the Department of State and the Department of Defense in determining

[1] *Ante*, p. 1596.

whether and when we might seek to negotiate for military facilities in Ceylon.

The situation here is complicated, as the Department is aware, by various as yet unsettled problems. The first of these is the nationalistic sensitivity of Ceylon over any encroachment on or derogation of its sovereignty. A major part of this reflects the internal political situation, particularly "face" of a small country only recently become independent and still obsessed with apprehensions over possible external domination. Not only the opposition group but as well much of the majority government party is highly affected by this sensitivity.

The second problem concerns Ceylonese-Indian relations. While on the one hand fearing India and strongly rejecting what are generally believed to be its intention to dictate to if not control this country, on the other hand Ceylon realizes it must live with India and presently has several important questions to settle with that country. The first of these is the issue over Indian immigrants in Ceylon, now numbering almost one million people of a total population of the country of eight million. An agreement was reached last month by the Ceylonese Prime Minister, Sir John Kotelawala, and Pandit Nehru of India for a solution of the issue. This agreement still has to be ratified by the Cabinets of the two countries. Until this is done the Ceylonese Government will have to proceed carefully in any steps that it might take as they could affect Indian opinion.

Of all things that would be most likely to induce the Indian Government not to ratify the agreement is that of India's learning of negotiations between the United States and Ceylon for the granting of military rights to the United States in this country. The resentment shown by Mr. Nehru to the alleged negotiations between the United States and Pakistan over our military assistance to that country would immediately be directed as well at Ceylon. Moreover, most public opinion here is skeptical of any military "intervention in this neutral" part of the world. If now, coming right on the heels of the controversial subject of the United States–Pakistan alleged military negotiations it should become known that we are also conducting military negotiations with Ceylon, public feeling here would unquestionably become aroused and there would be emphasized the point of view that there is indeed a good deal of justification to the apprehension that the United States is trying militarily to encroach on the Middle East. There would be an increased tendency to side with India's contention that this is the case and to support Mr. Nehru's energetic opposition to such an assumed situation. Accordingly even should the Government of Ceylon be willing to negotiate with us for definite military facilities it is hardly likely that it would dare to do so and thereby incur the criticism of its parliament and people.

213-752 O - 83 Vol XI - Pt. 2 - 35

Besides this factor in the Ceylon-Indian relations there is the initiative which the Prime Minister of Ceylon himself has taken to call a conference of the Prime Ministers of Southeast Asia to be held here at the end of April of this year. Although in a sense only incidental to that meeting, Sir John Kotelawala would probably feel that he had to avoid any chance for Mr. Nehru to seize on the subject of United States military rights in Ceylon either to refuse to attend the meeting or to use it merely as a sounding board in attacking both Ceylon and the United States for such an act.

The third unsettled problem and that of direct relation to the United States is the prohibition of any Point Four or TCA aid to Ceylon as a result of the Ceylon–Communist China Rice-Rubber Agreement now in effect. This is coupled with a feeling on the part of the Ceylonese that by "right" we should either make long-term low-interest loans or out-and-out financial grants to this country to help it out of its straightened monetary situation and help finance its agricultural and industrial development. Other things being equal, a concession of military privileges would not be easily distinguishable in the Ceylonese mind from just a one-sided and therefore unwarranted favor to us.

Based on these considerations any direct effort at the moment to obtain the military facilities for our Armed Forces would not only probably be unproductive but as well imprudent. If they become public knowledge, which in the nature of things here I believe could very well happen, a serious propaganda defeat might result for us here, aside from India. (Reference New Delhi's telegram to the Department 1155 of January 21, 1954.) [2]

As has been indicated in the beginning of this despatch, however, it seems to me that the subject is incompletely and limitedly dealt with without a wider basis for consideration. This would in turn affect any consideration of timing once, as may be possible in the future, the immediate impediments arising out of Ceylon's problems with India and the regional stress brought about by the uncertainty of our military negotiations with Pakistan are out of the way.

The firm stand of the Prime Minister now being taken against communism and the confidential statements of Sir John Kotelawala and Sir Oliver Goonetilleke thoroughly approving our extending military assistance to Pakistan show an appreciation on their [part] and through them on the part of an element of the Ceylon Government of the need for cooperative international defense against communist aggression. As reported in my telegram 233, January 29,[3] the Prime Minister again reiterated his former statement to me that his primary

[2] *Ante*, p. 1596.
[3] *Supra*.

reason for calling a conference of the Southeast Asia Prime Ministers is to confer on methods of fighting communism.

In a conversation which I had with Sir Oliver Goonetilleke this morning (February 2) I inquired what he had in mind when, as was reported in the Department's memorandum of conversation between Sir Oliver Goonetilleke and Mr. Henry A. Byroade in Washington on December 23, 1953,[4] he hinted at the possibility of US help in the defense of Ceylon. His reply was that Ceylon must "remarry England", that it required Great Britain's economic and military support and that in turn the United States should assist the British here. In this respect he declared that Ceylon would never let itself become a part of Nehru's "neutral bloc" but would immediately join the side of Great Britain and the United States should a war occur. He then spoke of the Ceylon-Great Britain Defense Agreement of 1947 and said that it was a definite one without time limit. On his own initiative he offered to send me copies of the documents concerning this agreement.

The thought of our in a sense going through the British had previously occurred to me. I enclose a letter from the Acting British High Commissioner in response to the Naval Attaché's inquiry at my request as to what military rights Great Britain has in Ceylon.

It is evident that this concern over the defense of Ceylon and its possible cooperation with the United States as well as Great Britain to assure it of such defense has not flowed down to parliament or the people as a whole. A turn in the public mind will probably be based on more definite events and particularly on the conviction that cooperative defense measures are not only needed but can be welcomed without loss of "face" or national pride nor that they imply any derogation of Ceylonese sovereignty.

In any event here might be the beginning for a favorable situation eventually to develop for the negotiations with Ceylon for mutual defense.

To be able to judge how and when we could seek to make an approach to attain the military facilities I feel that we should now have the answers to questions as to the conditions that would be acceptable to us for that purpose. I particularly stress that it will probably be necessary to act quickly, secretly and positively. By positively I mean that we should know not only what we want but just what we are willing and prepared to give in return.

Accordingly I pose the following questions and hope that I may receive the Department's answers to them as soon as possible:

1. Are we only willing to negotiate for military facilities on the premise that they concern only mutual defense and therefore require no payment from us? This will be such a restricted basis that we might

[4] *Ante*, p. 1594.

presume that we would have to wait a very long time if we could hope to be successful in obtaining them.

2. Are we prepared to pay in some way or other for the facilities? This would mean in my view either a large financial grant of some millions of dollars, possibly war ships and/or airplanes, several merchant ships for the Ceylonese merchant fleet and, should it be eventually possible, Point Four–TCA assistance or an elimination of the prohibition of such aid.

3. The exact facilities which are desired. I assume that those listed in the Department's Instruction No. 15, May 23 [*28*], 1953,[5] are still what are contemplated at this time. Could these be combined? At least the communications facilities? Our chances of getting them would be greatly enhanced, I am sure, if there were just one unit or complex.

One other alternative suggests itself as far as the radio communications are concerned if our Armed Forces did not agree to cooperate with the British. That is an unpublicized expansion, by agreement with the Ceylonese, of our VOA network here. Certain disadvantages suggest themselves to this procedure, however, which seem quite obvious.

4. If we do obtain the facilities, does the Department of Defense have the funds available, over and above the purchase price I have mentioned above, to build them here? A delay in implementing the agreement would be unsatisfactory and might suggest that we should put off the whole matter until we were sure that we could meet our end of it.

5. Should our approach for the facilities be made directly to the Ceylonese and merely bilateral or in conjunction with the British?

There is much to recommend the latter approach. I present for the Department's consideration that it might be well for us to use the British in a sense to obtain the requirements for us here with, of course, the concurrence of the Ceylonese. In the first place this would be a cover for us and in the second place it might be much more feasible of realization. It should be provided under such a three-way arrangement that the Ceylonese would grant assured long-term rights to the British at Trincomalee, Negombo and either the airbase at Minneriya near Sigiriya or the airbase at Jaffna, and we in turn have a formal agreement with the British for our participation in these facilities. I would hasten to add that I do not, of course, entertain the thought that there would be a joint operation with the British for the radio communication station or stations but that the same land with separate facilities could be arranged.

In view of all the publicity in connection with Pakistan, in view of the attitude of the Indians and in view of Ceylon's relationship with India, I wish again to reiterate that I consider it of utmost

[5] *Ante*, p. 1572.

importance that if and when we do seek to obtain the military requirements we must be able to act quickly and positively.[6]

PHILIP K. CROWE

[6] No record has been found of any subsequent approach to or discussion with Ceylonese officials on this subject.

711.56346E/2–254

The Deputy Under Secretary of State (Murphy) to the Assistant Secretary of Defense (Nash)

TOP SECRET [WASHINGTON,] February 24, 1954.

MY DEAR MR. NASH: In a letter dated January 5, 1954[1] this Department informed you that our Ambassador at Ceylon was being requested to make a current assessment of the prospects for success of any negotiations with the Government of Ceylon which we might undertake to obtain certain military facilities in Ceylon. At the same time, our Ambassador in New Delhi was requested to give an estimate of probable reactions by the Government of India to such negotiations by the United States with Ceylon.

Ambassador Allen telegraphed from New Delhi (No. 1155, January 21, 1954)[2] in effect that the Indians would react strongly and automatically against United States military facilities in Ceylon, that Prime Minister Nehru probably would bring every pressure on Prime Minister Kotelawala of Ceylon, and in view of the probable intensity and bitterness of Indian reaction he hoped that we would not approach the Government of Ceylon in the matter unless there was considerable likelihood of success. Failure, he said, would incur all disabilities without any compensating advantages, and Nehru would win a resounding victory at our expense. He believed, however, that if there were adequate grounds for thinking facilities would be granted, an approach should be made to Ceylon despite immediate and strong reaction against the United States in India.

In a recent despatch from Ceylon (No. 401, February 2, 1954),[3] a copy of which has been transmitted to the Department of Defense, Ambassador Crowe concludes that negotiations with Ceylon at this time probably would be not only unproductive but imprudent as well. However, with the view to judging how and when we could seek to make an approach, he requests additional information as to exactly what the Defense Department desires and whether and how much it is

[1] Not printed.
[2] *Ante*, p. 1596.
[3] *Supra*.

prepared to pay for the facilities. He also raises the question whether it would not be useful to work through the British, who already have a defense agreement with the Ceylonese.

This Department, in general, is in agreement with the conclusions of both Ambassadors Allen and Crowe. However, in view of the implications for South Asia, including Ceylon, of our decision to grant military assistance to Pakistan, this Department believes that the basic consideration from the point of view of the Ceylon Government will be how much we are prepared to pay for military rights, and that, if we pay enough, other factors will become secondary. It will be noted that the question of a *quid pro quo* has been prominent in previous evaluations and that on June 27, 1953 our chief of mission at that time, Ambassador Satterthwaite, wrote that it was his belief that we would have to offer both economic and military benefits of a "substantial character" in order to interest the Ceylon Government in our proposals.[4]

This Department will be glad to communicate with Ambassador Crowe again upon receipt of the response of the Department of Defense to the questions which the Ambassador has posed.

Sincerely yours, R[OBERT] M[URPHY]

[4] Despatch 774, June 27, 1953, p. 1573.

746E.13/3–1154 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

SECRET COLOMBO, March 11, 1954—5 p. m.

286. For Jernegan. Since you left I have done a lot more thinking on question inviting Sir John to visit US and have come to conclusion that if we intend to do it at all, now would be time. I do not mean to ask him for a specific date but simply let him tell papers here that he has been invited for some indefinite time in future. (He hoped as I told you visit could be in June.)

My reasons for this are that C. C. Desai, Indian High Commissoner, is moving Nirvana and earth to swing Sir John into Indian orbit before Prime Ministers conference begins April 28. In addition to amiable terms which India allowed Ceylon on Tamil issue and red carpet which Nehru spread for Ceylon party in Delhi, Madame Pandit [1] is coming here next week to level her heavy guns and charm on him. A Ceylon parliamentary delegation has been invited to visit India.

Everyone knows, moreover, that despite press report last December he has not received an invitation to states, and consequent loss of face

[1] Vijaya Lakshmi Pandit, sister of Prime Minister Nehru, President of the UN General Assembly, 1953–1954.

obviously peeves him and might tend make him more receptive Nehru's ideas at conference than he might ordinarily be. On other hand if he went into conference with assurance that US was interested in him it would certainly strengthen his position.

I would appreciate it if you would discuss with Henry and Don [2] and let me know your joint reaction as soon as possible. To tender Sir John such an invitation just before the Prime Minister's conference would certainly look like bribery, but I think it could be done with reasonable safety.

CROWE

[2] Presumably Assistant Secretary Byroade and Office of South Asian Affairs Director Kennedy.

711.56346E/4–1654

The Assistant Secretary of Defense for International Security Affairs (Hensel) to the Deputy Under Secretary of State (Murphy) [1]

TOP SECRET WASHINGTON, April 16, 1954.

DEAR MR. SECRETARY: Reference is made to your letter of 24 Feb. 1954 [2] which forwarded a report from the United States Ambassador in Ceylon concerning possible negotiations with that country and requested additional information regarding the United States military requirements in Ceylon.

This will confirm the information which has been informally transmitted to a representative of your Department that the United States Air Force requirement for a heavy bomber staging base in Ceylon has been deleted.[3] That requirement has been reprogrammed to another location because of the delay in securing base rights in Ceylon.

With reference to the other United States requirements in Ceylon, the United States Air Force communication requirement is currently being reviewed in the light of the doubtful prospects for obtaining the military rights in Ceylon. It is anticipated that this requirement will also be deleted from Ceylon and programmed for an alternate site in the Indian Ocean area. This matter will be referred to the Joint Chiefs of Staff for consideration. It is very probable that the Navy communication requirement in Ceylon may likewise be modified as a result of the above action. The Army requirement remains unchanged unless there is a possibility of obtaining a suitable alternate site. Your Department will be advised when this review has

[1] This letter was relayed to Colombo in Department instruction CA–6320, May 4, 1954 (711.56346E/5–454).

[2] *Ante*, p. 1603.

[3] Colonel Boyd of the Air Force had met with Williams and Yenchius of the Office of South Asian Affairs to state that the bomber staging objective had been dropped for Ceylon as impractical (memorandum of conversation, Mar. 15, 1954; 711.56346E/3–1554).

been completed and will be furnished with a revised statement of the United States requirements in Ceylon.

With reference to the other questions posed by the United States Ambassador to Ceylon, the following information is furnished:

a. This Department is not prepared to pay for military rights in Ceylon from Defense appropriations. While Defense Department funds have been used for similar purposes in the past under exceptional circumstances, we do not consider it generally appropriate for a military department to provide funds to a foreign government in return for military base rights.

b. The British Chiefs of Staff have been advised of the United States military interest in Ceylon as indicated in the letter of 14 April 1953 to your Department. However, with the possible exception of the United States Navy communication requirement, we do not believe that it will be possible to fill our military requirements in Ceylon by an arrangement with the British in a manner which would make it possible to justify the expenditure of public works funds and safeguard the United States interests in such matters as jurisdiction of forces, residual values, customs and tax exemptions, etc.

In view of the continued requirement to accommodate the United States communications requirements in the Indian Ocean area, it is requested that this Department be advised when, and if, the negotiating prospects with Ceylon improve in the future. In such an eventuality the military services would desire to reassess the military planning for that area.

Sincerely yours, For the Assistant Secretary of Defense (ISA):

A. C. DAVIS
Vice Admiral, USN
Director, Office of
Foreign Military Affairs

746E.13/3–1154 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

SECRET WASHINGTON, April 23, 1954—7:12 p. m.

311. Embtels 286 [1] and 233.[2] As you know Department has not been attracted to proposal that Sir John be invited to the United States because under present circumstances there would be little of concrete nature to discuss with him. Although we are interested in intimations that some consideration being given by Government of Ceylon to ending rubber trade with Communist China and are exploring possibilities of general action regarding rubber and other matters which you discussed with Jernegan, do not yet see basis for any mutually satisfactory understanding.

[1] Dated Mar. 11, p. 1604.
[2] Dated Jan. 29, p. 1597.

Nevertheless some response to Sir John's importunities might be desirable in view imminent Colombo conference of South Asian Prime Ministers. If you agree it would be helpful you may give Sir John orally and informally message along following lines:

You have reported Sir John's interest in visiting US sometime following Prime Ministers conference at Colombo and you have now received message that Department considers visit by him to US under appropriate circumstances would be very helpful and he of course would be warmly welcomed. However present not propitious time in light heavy schedules President, Secretary and top advisors and Geneva discussions. You may assure Sir John that in connection with forward planning of official visits desirability of his visiting Washington will be kept very much in mind.

SMITH

120.4346E/4–2354 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State [1]

SECRET PRIORITY COLOMBO, April 23, 1954—4 p. m.

330. Prime Minister told me this morning that he is under great pressure from Nehru to join India at the forthcoming conference in a "hands off" Asia policy which would apply equally to Communist and Western nations. He added further that in regard to Indochina he may have to stand alone as even Pakistan may go along with Nehru on an anti-colonial resolution. He still holds to his original statement to me that he will do his best to keep the conference from becoming a "tool of Nehru's Asian ambitions" but said the United States was not making this stand easy for him. He then spoke somewhat bitterly on our refusal to buy Ceylon's rubber and our subsequent failure to give his country aid. While he did not specifically mention it I think he is also piqued by our silence re his earnest desire to visit America. I pointed out that the real benefit that he and his neighbors received from America and the Commonwealth was found in our firm stand against Communist aggression. He agreed with this but said he wished that we should phrase our declarations on protection more gracefully. My personal feeling is that the Prime Minister is still on the side of the West but is under the strongest possible pressure from all sides, and anything we could do to indicate our appreciation at this time would be a wise move. The Ceylon press is hundred percent behind Indian view and many members of Cabinet also lean toward it. I then talked to Sir Oliver Goonetilleke who told me that C. C. Desai, Indian High Commissioner, has attempted sell Prime Minister, J. R. Jayewardene and himself on the scheme to bring up Nehru's plan (re Embtel 329, April 23 to De-

[1] This telegram was repeated for information to London as telegram 47, to Paris as 5, to New Delhi as 66, to Rangoon as 19, to Karachi as 31, and to Djakarta as 7.

partment,[2] repeated all addressee posts) but that he personally strongly opposed it and believed that Prime Minister and Jayewardene did also.

I also consulted with Sir Cecil Syers, British High Commissioner, who told me that he had talked with Prime Minister on Dulles-Eden communiqué of April 13 and that it was his opinion that the Prime Minister would strongly resist Indian domination at forthcoming conference.

CROWE

[2] Telegram 329 from Colombo, Apr. 23, 1954, sketched Nehru's plan for Indochina as follows: (*a*) a cease-fire in Indochina with each side retaining territory it then held; (*b*) a 5-year transitional period during which all foreign elements would be excluded from Indochina; and (*c*) enforcement of the agreement during the 5-year transitional period by the five Colombo powers (i.e., those invited to the conference in Colombo: India, Pakistan, Burma, and Indonesia, with Ceylon as host). Although the plan was formulated in India, Nehru desired to have it formally introduced by another of the five powers to avoid charges of attempting to dominate the conference. (120.4346E/4–2354)

746E.00/4–2454 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State[1]

SECRET COLOMBO, April 24, 1954—4 p. m.

333. J. R. Jayewardene, Minister of Agriculture and one of two Cabinet members who will sit in with Prime Minister at forthcoming meeting Prime Ministers (other being Sir Oliver Goonetilleke, Minister of Finance and Governor General designate), told me this morning that rumors that Cabinet was split on issue of landing in Ceylon of US planes carrying French paratroopers was entirely false. He said Cabinet backed Prime Minister's firm stand on this issue and will also back his firm anti-Communist stand at conference. He said that rumored Indian proposals to solve Indo-China problem would not be supported by Ceylon. (Ref Embtel 329, April 23, 1954)[2]

Discussing rubber deal with Red China he said that Prime Minister is anxious not to sign up for another year and queried me on what, if any, aid might be expected from U.S. if rubber deal was abandoned. I replied I had no idea but that my government would certainly regard such a move as an earnest example of Ceylon's strong anti-Communist position. He told me that Ceylon has profited by approximately thirty million U.S. dollars for three year period of deal with China. He then said that United National Party was having a hard time keeping rural support and that ten million U.S. dollars would make all the difference to hospital, irrigation and road programs.

I also talked this morning to Sir Kanthiah Vaithianathan, Minister of Housing and former secretary of External Affairs. Even though s

[1] This telegram was repeated for information to New Delhi as telegram 67

[2] See footnote 2, *supra*.

Tamil and reported to be pro-Indian on certain issues, Sir Kanthiah told me frankly he considered U.S. position on Indo-China correct and that he believed Ceylonese Government would not be led by Nehru into a denunciation of it. He added that he thought the conference could only end in a stalemate and would accomplish little.

Today's press reported that seven American Globemaster planes passed through Colombo yesterday and day before on way to Indo-China carrying French paratroopers in civilian clothes. J. R. Jayewardene also told me this morning that Prime Minister, Sir Oliver Goonetilleke and he had called in Esmond Wickremasinghe, editor of Lake House Press, and demanded he not raise editorially issue airlift through Ceylon. This morning's *Daily News* merely factually reported story, adding U.K. High Commissioner's Office had said landing planes here matter entirely between Ceylon and American Government, U.S. Ambassador had made no comment, with respect to Colombo port no special attention paid to ships carrying large number French troops passing through Colombo regularly on way to and from Indo-China on regular French passenger ships which classified as "passenger ships" and not "troopers" because they also carried civilians, and that Pieter Keuneman, Communist Party leader had sent telegram to Prime Minister "strongly urging him follow lead GOI and refuse air and other facilities Ceylon to U.S. airplanes carrying troops for use against Asian peoples of Vietnam and for prolonging the colonial war." Paper had no editorial.

Both afternoon papers today however took up issue. *Times of Ceylon* in editorial captioned "Fantastic" said officials Foreign Ministry had "yesterday morning blandly denied that clearance had been asked for or granted" and then noting that "Ceylon Government has not interfered with passage of seaborne troops destined for Indo-China and it would have been nothing extraordinary therefore to allow these troops to be airborne through Ceylon." Editorial enquired why all the mystery and "What precisely are our External Affairs officials after."

(*Embassy comment:* This is the most restrained editorial *Times of Ceylon* has published since issue over Indo-China first editorialized upon by it and in notable contrast all its previous violently emotional diatribes.)

Ceylon Observer, afternoon paper of Lake House Press reported in short article that it had learned that a senior official of External Affairs Ministry (although not mentioned by name official referred to must be Permanent Secretary reference Embtel 321, April 17) [3] "treated French operation as matter of routine of no special significance" that U.S. Embassy requested permission three weeks ago for refueling

[3] Telegram 321 from Colombo, not printed, summarized a conversation between an Embassy official and the Permanent Secretary of the Ministry of External Affairs, Gunasena de Soyza (751G.00/4–1754).

American planes at Katunayake Airport (Negombo), that official had not thought it sufficiently important to put up to Prime Minister for a decision and had acceded to American request on his own authority. (Ref Embtel 310, April 7)[4]

This article accompanied on front page by editorial entitled "Masterpiece of Bungling" which using External Affairs Ministry official as scapegoat plays right down Indian line. Stating that External Affairs official who thought permission was "just a routine matter" showed supreme naivete and then expressed its views by posing questions: "Did official who finally issued clearance inquire why Nehru had refused allow planes pass through India? Had he not heard that fall of that fortress (Dien Bien Phu)[5] was imminent and that Asian Prime Ministers were preparing their briefs to demand cease fire at Colombo Conference which begins next week? (Ref Embtel 329, April 23) Had he not read up his file on Geneva Conference which has been specifically summoned to discuss Indo-China? Any event deed now done, question allowing French troops pass through Ceylon academic, news fall Dien Bien Phu may come any minute and Vietnamese independence practically in bag."

CROWE

[4] The Department on Apr. 6 had requested the Embassy to secure permission from the Government of Ceylon for the American airlift of French troops to refuel in Ceylon (telegram 282 to Colombo, Apr. 6, 1954; 751G.00/4–654). The Embassy reported back that the Permanent Secretary of MEA had seen "no reason why his government should not grant clearance for the airlift" and that he was informing the Prime Minister the following day (telegram 310 from Colombo, Apr. 7, 1954; 751G.00/4–754). The Prime Minister provided definite clearance on Apr. 8 (telegram 314 from Colombo, Apr. 9, 1954; 751G.00/4–954).

[5] The French fortress at Dien Bien Phu was a key French defensive position under siege for many weeks by the Viet Minh nationalist forces in Vietnam. For documentation, see vol. XIII, Part 1, pp. 937 ff.

120.4346E/4–2554 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

SECRET PRIORITY COLOMBO, April 25, 1954—noon.

334. One of my Asian colleagues told me confidentially today that he heard that the following six points may come up for discussion at Prime Ministers conference: A cease-fire in Indochina. Offer by the five governments meeting in Colombo to form a joint trusteeship in Indochina. Demand for evacuation of foreign pockets in India. This would include Portugese as well as French pockets. Efforts to ease tension between India and Pakistan. Some sort of loose "no war pact" and perhaps a motion by Burma to speed up expulsion of KMT troops from that country. This confirms same points reported in this morning's press.

Sunday *Times* carries interview with Prime Minister by Philip Deane, London *Observer* correspondent, in which the Prime Minister

goes along with the general idea of a conference-inspired settlement in Indochina but carefully refrains from specific views on how this can be brought about. He also refused to commit himself on issue of US arms aid to Pakistan. He did say, however, that "the refusal of American aid is a form of political pressure which is hardly worthy of a great country like America". He added that the UK could also do more in the way of financial help for Ceylon.

I believe that if we are ever going to make a gesture to help Sir John that now is the time to do it. He feels that our readiness to consider an offer of aid on the basis that he terminates the China rubber deal (Embtel 333, April 24) [1] would do much to strengthen his internal position with the country, and thereby strengthen his stand as an independent at the conference. I think even an affirmative reply to his strong desire to be asked to America would be helpful. As I reported earlier, he feels that he is getting no return from the US for his strong anti-Communist stand. His recent willingness to buck popular opinion by allowing us to fuel in Ceylon US planes carrying French paratroopers to Indochina was an earnest of this basic position. Needless to say he was under strong pressure both from India and from pro-Indian elements in Ceylon to refuse permission.

I certainly do not think that the US should reward every government that is wise enough to adopt an anti-Communist stand but it appears that some sort of gesture from the US at this time would influence both the Prime Minister and the Cabinet. Reply requested prior conference opening April 28.

CROWE

[1] *Supra.*

746E.13/4–2654 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

TOP SECRET
PRIORITY

WASHINGTON, April 26, 1954—7 : 13 p. m.

313. Deptel 311 [1] indicated best line possible with PM at this time. (Embtel 334).[2] Considerations leading to this decision were 1) impossible meet annual profit to Ceylon from China deal (estimated at 15 million) and doubt wisdom going even to 50 percent this amount because of effect on other areas such as Indonesia and Malaya now observing embargo without receiving "Price" as *quid pro quo* and also likelihood any offer from us would be used by Ceylon for purpose bargaining Chinese next negotiation. It quite possible that our relations with Ceylon over long run will be on firmer basis if they come to us for assistance after finding China deal is not for them "utopia".

[1] Dated Apr. 23, p. 1606.
[2] *Supra.*

2) Letter from Defense just received [3] advises that requirements for heavy bomber staging base deleted and that it anticipated requirement for communication facilities by Air Force will also be deleted. Re certain questions raised by Ambassador, Defense advises it not prepared pay for military rights in Ceylon. Also Defense states that with possible exception US Navy requirement, it not believed possible fill military requirements in Ceylon by arrangement with British. 3) As general rule it not desirable invite top officials foreign governments when there are real problems affecting relations and it pretty certain these officials will have to go home empty handed. It anticipated Sir John's line would be use his known opposition to communism as basis for pleading forgiveness so far as rubber to Communist China concerned so that Ceylon could have both China deal and US aid. 4) For years high officials have repeatedly said India feared more than any other country. If this so it questionable that Sir John would follow Nehru line simply because he did not get invitation this time. 5) Synthetic rubber price policy currently under review at top level. If price increased this would have beneficial effect on natural rubber prices with result China deal would be less attractive financially to Ceylon and another look at aid to Ceylon would be possible. 6) Believe preferable have results Geneva and Colombo Conferences before deciding whether or not discussions in Washington with Sir John helpful. 7) PM was very helpful re Indochina airlift and Ceylon cooperation in future might be of great importance. This possibility kept in mind in connection desirability invitation later date.

Will keep questions you raise Embtel 334 under constant study.

SMITH

[3] Dated Apr. 16, p. 1605.

746E.13/4–2654 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State [1]

SECRET COLOMBO, April 26, 1954—5 p. m.

336. Goonetilleke, Minister Finance and Governor General-designate told me today that I have no fears that Ceylon delegation to Prime Ministers' conference will endorse any proposals for an Indochina settlement opposed to the Dulles–Eden agreement.[2] He said Prime Minister, Agriculture Minister, Attorney General, who was to-

[1] This telegram was repeated for information to New Delhi as telegram 69, to Karachi as 33, to Djakarta as 9, and to Rangoon as 21.

[2] This agreement presumably referred to the Dulles–Eden communiqué, dated Apr. 13, 1954, in which both statesmen agreed that the United States and Britain would examine "the possibility of collective defense measures" in Southeast Asia (telegram Secto 2, Apr. 13, 1954; for text, see vol. XIII, Part 1, p. 1321).

day added to Ceylon delegation, and who are all in complete agreement to hamstring any efforts by Nehru to force Ceylon into Indian camp on this issue. He added that recent information from Burma indicates that Burmese Prime Minister has indicated to Sir Oliver that Burma will not throw its weight behind India on Indochina issue. Sir Oliver said he has been told that Pakistan Prime Minister will also refuse to be bullied by India whether issue is Indochina or Kashmir. Sir Oliver had no opinion on Indonesian Prime Minister, saying that he is crazy and unpredictable. I asked Sir Oliver if there was any significance in story which Prime Minister gave Philip Deane (re Embtel 329 to Department)[3] and he replied it should be considered meaningless. Sir Oliver concluded conversation by saying he feared India more than Communism.

I then saw Prime Minister and told him I had been empowered invite him visit United States but was not able set specific date at this time. He was immensely pleased and told me that such a trip would mean great deal to him personally and to Ceylon. I then brought up matter of conference and he repeated substantially what I had heard from Sir Oliver. He added gleefully that he had told newspapers recently he would make a treaty with the devil rather than with Reds. In view press opposition and chance such an invitation might be regarded by it as a last-minute bid by US to curry favor with Prime Minister it was agreed not to release news of his invitation visit America now.

Harry Toyberg-Frandzen, Danish Minister to Ceylon, told me this morning Sir John Kotelawala told him yesterday that if Ceylon was placed in a position where she had to choose between the "spiritual" nations, such as India and the "practical" nations "such as the Western allies" she would of course side with latter.

CROWE

[3] See footnote 2 to telegram 330, Apr. 23, p. 1608. Nehru's plan for Indochina was relayed to the U.S. Embassy by Deane, a correspondent for the London *Observer*.

746E.13/5–454 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

SECRET COLOMBO, May 4, 1954—5 p. m.

352. Re Deptel 318, April 28.[1] Prime Minister told me today he wishes announce now his invitation visit US. In Embtel 336, April 26[2]

[1] Telegram 318 to Colombo, Apr. 28, 1954, stated that the proposed message to the Prime Minister in telegram 311 (p. 1606) intended to respond to his desire to visit the United States without at that time making a commitment to invite him. It emphasized that since the Department currently had no plans for his visit, it was extremely important that there be no news release of his invitation until a definite date had been fixed. (746E.13/4–2654)

[2] *Supra*.

I do not see how we can refuse him and further believe any attempt avoid issue would be sure cause both embarrassment and resentment.

He understands clearly there can be no date set for visit in foreseeable future and that invitation is not predicated on any change US attitude towards Ceylon's rubber-rice deal with Red China or aid possibilities. He and Sir Oliver Goonetilleke still feel however that such announcement at this time would greatly strengthen the government's position especially since it is now under heavy fire from opposition and even some nationalistic groups on issue of allowing first flight of US Globemasters to fuel at Colombo while carrying French paratroopers en route Indochina. Two more flights, sure to attract wide press comment, are due to fuel here May 7 and 8.

I should like to add further explanation that Sir John repeated what Sir Oliver and J. R. Jayewardene have previously told me that he is trying to get rid of the China rubber-rice agreement. He implied that announcement of an invitation in itself would strengthen his hand in this endeavor. He seemed to feel that the psychological effect would be most helpful. . . .

Both Sir John and Sir Oliver have repeatedly emphasized to me need for Ceylon maintain close ties not only with Great Britain and Commonwealth but with US as well. Accordingly from broad viewpoint psychological effect invitation would particularly help maintain equilibrium in Ceylon's foreign relations. This balance was threatened at recent Prime Ministers' conference here when Nehru sought form an Indian dominated bloc, and there is every reason believe that he will continue this effort.

CROWE

751G.00/6–254 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

TOP SECRET PRIORITY COLOMBO, June 2, 1954—noon.

385. Reference Deptel 363, June 1.[1] In my opinion it would be exceedingly embarrassing politically for the Government of Ceylon to permit another flow of US aircraft ferrying French troops to Indochina at this time.

Prime Minister has been under strong pressure as result of last two airlifts. He has been severely attacked in the press and by leftist and independent members in Parliament. A mass meeting of citizens called on this issue further underlined unpopularity of his decision.

---

[1] Department telegram 363 to Colombo, repeated to 11 other capitals, asked that all addressees estimate the reactions of their host governments to possible U.S. requests to land on their territory and use their air space for the ferrying of French troops to Indochina (751G.00/5–3054).

I believe that he would face same reaction if requested for another airlift and unless additional airlifts absolutely essential I would certainly advise against them at this time.[2] Constant calls here of French troopships en route Indochina have never aroused public concern for the past seventy years as they, unlike Globemasters, are considered routine movement.

Developments at Geneva which might tend fix blame for failure of settlement in Indochina on Red Chinese might be reflected here by a less hostile public attitude in which case our assistance might be regarded more favorably and the pressure on the Prime Minister not to allow such flights would be minimized.

CROWE

[2] The Department concluded in telegram 365 to Colombo, June 3, 1954, that since the bypassing of Ceylon was not possible in any airlift from the west, it would recommend to the Department of Defense that the airlift be performed via the United States–Pacific route (751G.00/6–354).

746E.00/5–1354 : Telegram

The Acting Secretary of State to the Embassy in Ceylon

CONFIDENTIAL WASHINGTON, June 12, 1954—3:57 p. m.

371. Embtel 368.[1] White House has now approved appointment in December for Sir John to see President and luncheon by President in Sir John's honor.

You should therefore now inform Sir John that President extending an invitation to him to be official guest in Washington of the United States Government for three days in December. This normally involves stay at Blair House, appointment with President and lunch by President (sometimes combined), dinner or luncheon by Secretary of State. Other appropriate courtesies will of course be accorded, but longer stay Washington and other travel in United States would be on Sir John's own arrangements.

After consultation White House, Department suggests December 6 as an appropriate arrival date Washington and December 7 for appointment with President. Please confirm if this agreeable to Sir John. Press release will be made after date of visit is fixed. Release will be subject later message.

MURPHY

[1] Telegram 368 from Colombo, May 13, 1954, was a response to Department telegram 347 to Colombo, May 12, 1954, which requested that the Embassy estimate, without consulting the Ceylonese, whether October or December was more convenient for the Prime Minister to come to Washington (746E.13/5–454). The Embassy in telegram 368 responded that December appeared to be more satisfactory (746E.00/5–1354).

611.46E/7–2054

The Ambassador in Ceylon (Crowe) to the Department of State

COLOMBO, July 20, 1954.

No. 37

Subject: Anti-Americanism in Ceylon

One of the most disturbing trends in Ceylon today is the growth of anti-American sentiment, apparently among all classes of the people. The newspapers, both European and vernacular, attack the United States on every possible issue; politicians campaign against the Colossus of the West; and there are even religious leaders and university professors who seek to make capital at the expense of our country.

The reasons behind this antagonistic attitude are complex and divergent—so much so, in fact, that many intelligent Ceylonese, when questioned, have difficulty phrasing exactly why they feel as they do, and are apt to pin their argument on some specific point of difference such as the rubber deal with China or US policy in Indo China. Those who think more deeply about the matter—and there are many firm friends of America in Ceylon who do think about it—are inclined to lay the reason to a broader issue. They believe that the underlying basis for anti-American feeling in Ceylon, and for that matter in most of the East, is due to resentment against the materialistic aspects of American life. They rationalize that because we put so much store by material wealth, we must be primarily motivated by it and must furthermore be guided by these false standards in our foreign policies.

This distrust is not confined to the United States nor were we responsible for its beginnings. Having been successively invaded and occupied for the past three hundred years by first the Portuguese then the Dutch and finally the British, the Ceylonese say they have good reason to turn a quizzical eye on any maneuvers of the white races in this part of the world. American support of French and British colonialism has also been held against us. Bao Dai, Syngman Rhee and Chiang Kai-shek are frequently attacked as American puppets who enjoy little if any support in the countries of their origin. The grim consequences of a U.S. failure to support them seldom seems to be considered.

Ceylon is a Buddhist nation and as such is basically opposed to communism and all it stands for, but in somewhat the same religious sense she is also opposed to "American imperialism". I have talked with many men of intelligence and position who theoretically at least see little difference between the two isms. Pressed, they always break down to admitting that America is certainly the lesser of the two evils (and the only one in which they would care to live) but that does not stop them from feeling an underlying suspicion of our motives in this part of the world. Even the communist propaganda line that

America only fights wars in behalf of trade has many adherents among men who would be the first to condemn Russian influence in Ceylon.

The recent rightist revolution in Guatemala was construed as a US attempt to dominate a small neighboring country.[1] Editorials in some liberal British newspapers, especially the *Manchester Guardian*, which attacked us viciously on this issue, were reprinted in full in the local papers. When I brought up the similarity between measures used to suppress communism in British Guiana and Malaya and those exerted by the anti-red forces in Guatemala it was admitted that I had a point but most people still thought of Guatemala as a little country, about the size of Ceylon, whose politics were being influenced by her powerful neighbor.

Recognition of Red China by America is another sore point. Even though most Ceylonese fear India, due mainly to the historic fact that India has repeatedly invaded Ceylon, they are inclined to go along with Mr. Nehru's thesis that it is possible to build a neutral bloc in southeast Asia and by moral pressure repulse any further aggressive attempts that might be made by Red China or Russia. US recognition of Mao's government of course plays an important part in any such idealistic scheme.

The appeal of neutrality is a logical one for a nation of only eight millions of peoples. Some leading Ceylonese statesmen, in fact, would like to see Ceylon become "the Switzerland of the East", an island whose neutrality would be respected by all nations and whose good offices as an intermediary would be universally acknowledged.

Be this as it may, the prevailing sentiment in Ceylon is strongly anti-war and most people think that America is quite willing to plunge Asia into battle with the Communist countries if it happens to suit her purposes. They point out heatedly that this war would be fought over their island with their cities as targets and their population as innocent victims. The alternative of red domination does not appear anything like as gruesome an alternative. A leading lawyer told me recently that undoubtedly his class would be liquidated, but he did not think communism would cause much change in the life of the peasants. I naturally took sharp issue on this but I do not think he is alone in his thinking.

The atom bomb is also a political hot potato for us in Ceylon. I am often asked "why did the United States single out an Asian nation on which to drop the first bomb?" There is a deep seated feeling that the United States is quite willing to use Asiatics as guinea pigs. Remarks in the American papers to the effect that "Asians should fight Asians" have most unfortunate repercussions here. This resentment is underlined by the erroneous impression that the great powers have neglected to consult the Colombo powers in regard to the Indo China war.

---

[1] See volume IV.

The rubber deal with Red China has always been a source of virulent anti-American propaganda. It is contended that it was only because America was unwilling to pay a price higher than that of the world market for Ceylon's rubber that the deal with China was consummated. Since Ceylon was at that time short of rice and needed money to import it, critics of US policy also say that by not paying more for Ceylon's rubber America was in effect starving her people and consequently forced the Ceylon Government into the China deal in order to feed them. The fact that Ceylon was the only rubber producing country to demand such a subsidy and that if the United States gave it to Ceylon she would be establishing a precedent for paying above the market prices for the commodities of other friendly nations, is either ignored or not clearly understood.

Resentment at the United States over the rubber deal is compounded by the Battle Act, a United States congressional decision that prohibits the giving of American aid to nations which violate the ruling of the United Nations against trading with a proclaimed aggressor. Ceylon is not a member of the United Nations and is not violating any of its tenets, but America, as a member of the United Nations, must be governed by its rulings whether she likes it or not. This point is not clearly understood in Ceylon either.

Today America is being accused, often by men who know better, of offering aid in exchange for the breaking of the rubber agreement. This is, of course, completely untrue. America has never offered Ceylon any aid as an inducement to stop trading with Red China. The gambit makes easy oratory, however, and continually crops up as an example of America's "underhanded attempt to put strings on her so-called benevolent gestures."

Less obvious but equally insidious are the constant references to McCarthy, the Oppenheimer case, southern agitation against the segregation decision of the Supreme Court, etc. Many of these stories are reruns from the leftist British press and are made to appear to reflect British public opinion. Far more space is often given to Attlee's opinions on world affairs than to Churchill's. No one is more pleased with this state of affairs than the local communist party who are only too delighted to rub salt in the smallest crack in Anglo-American relations.

Another source of friction between Ceylon and the United States is the calibre of the moving pictures and comic books imported from America. Many of the former portray exactly the kind of selfish and materialistic existence that the Ceylonese have been led to expect in the American scene. I have been asked by responsible travelled persons if it is really true that gangs of children terrorize the slums of big American cities. I have then been shown US-made comic books that obviously encourage exactly this type of juvenile crime.

I began this report with the observation that anti-Americanism is growing in Ceylon. As far as I have been able to ascertain, however, this antipathy is almost solely concerned with the past and present policies of various American governments and is not directed against American nationals in Ceylon. Even the newspapers, which often reveal an underlying anti-white bias, refrain usually from unfavorable personal attacks on us. The managers of the resident American firms appear to enjoy the confidence and respect of their workers and clients and so far have not reported any reaction from the anti-American campaign.

The Government of Ceylon itself is firmly anti-communist and friendly to America. Sympathy for the West has been repeatedly expressed by the present Premier, Sir John Kotelawala, whose position at the Asian Prime Ministers Conference and on the passage via Ceylon of French troops in US Globemasters to Indo China left no doubt as to where he stands. I believe furthermore that the majority of his ministers have substantially the same attitude.

Efforts to combat anti-American feeling are necessarily conditioned by the number and calibre of persons that the Embassy and the United States Information Service are able to reach and influence. I believe that the various grants allowing Ceylonese to travel and study in America are without any doubt the best method of selling them what America is really like and, more important, what her government and people stand for. Outstanding men and women have been picked for these grants and in almost all cases justified our choice by becoming firm friends of America. Such grants, of course, are limited and can be given to only fifteen men or women per year.

The United States Information Service does a fine job, within its limited budget, to reach and influence a broad market. Three newspapers—an English, Sinhalese and Tamil edition with a combined circulation of around 10,000 copies—are published weekly. A well-stocked library is maintained on one of the busiest corners in downtown Colombo and a mobile film unit is sent to outlying towns and villages. Recently the arrival of the USIS film truck in a small market town coincided with a political rally at which the speaker, an ex-minister of the present government, violently attacked the United States. He was cheered but when he finished the crowd filed happily into the USIS show.

The Committee for Free Asia, an organization privately financed in America, is also doing a great deal of good work in Ceylon. By contributing to projects that help everyone, the Committee has made many friends for America who answer critics by asking how it is that American Imperialism benefits from a library in Jaffna or a cottage industry workshop in Galle.

PHILIP K. CROWE

790.5/7–2154 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

SECRET COLOMBO, July 21, 1954—5 p. m.

27. Reference: Depcirtel 39, July 16.[1] It is very doubtful Ceylon Government would immediately join collective security pact for SEA and southwest Pacific. Although present government Ceylon not unsympathetic such arrangement, temper of press, parliament and people generally would probably not permit government make such move. Government's hands also would be tied by its association with Colombo powers and majority opinion other powers would have strong bearing decision GOC. Almost certain any event GOC would not act without prior consultation other Colombo powers.

Possibility GOC joining later date somewhat more favorable but by no means certain. Much depends result consultations with other Colombo powers and strong diplomatic persuasion, coupled with heavy informational press campaign.

GOC probably would adopt neutral rather than favorable attitude towards pact initially. Must be borne in mind that press and leftist elements likely continue campaign against pact and even general attitude of country could be opposed to it on grounds intrusion west and United States in the "peace area" southeast Asia. Results this popular feeling could well force government refuse, for example, any use Ceylon territory transit defense troops and material by air although not necessarily by sea as in past.

CROWE

[1] Department circular telegram 39 to Karachi, Colombo, Rangoon, Djakarta, and New Delhi, not printed, stated the U.S. view that, contrary to the British position, the United States was not prepared to accept a delay in concluding the SEATO pact in order to induce presently uncommitted nations to join now. The telegram nevertheless requested that each addressee estimate the possibility of its host government joining SEATO in the future and its likely attitude toward the pact. (790.5/7–1654)

790.5/9–954

The Ambassador in Ceylon (Crowe) to the Department of State

CONFIDENTIAL COLOMBO, September 9, 1954.

No. 159

Subject: Report of Conversation on September 9, 1954 between Sir Claude Corea, High Commissioner of Ceylon to the United Kingdom, and Ambassador Crowe

Sir Claude Corea, due to his long residence in Washington is, I believe, a good friend of America and his opinions therefore can be considered as friendly criticism. During his six weeks visit to Ceylon which terminate this week we have had three separate talks and

covered most of the pressing questions of the day. It was not, however, till this morning's conversation that he really expressed himself forcefully. The matter under discussion was SEATO and should be made a matter of record.

Sir Claude said that in his opinion and in that of most of the Ceylonese Government Great Britain and America were very inept in their presentation of SEATO to the Colombo Powers. He added that if the western powers had taken Ceylon into their confidence and invited her to do the persuading for them in this part of Asia there would not have been the slightest doubt of her joining the pact. Instead of this approach, however, Ceylon was faced with a *fait accompli* with which she had nothing initially to do.

He said that the efforts of Mr. Dodds-Parker, the Parliamentary Secretary of the United Kingdom Ministry of Foreign Affairs, who recently visited the Island to get Ceylon to go along with SEATO were both ill-timed and unconvincing. Questioned further on this point, he said that it was felt that a man of more position and experience should have been sent out here.*

Sir Claude said that the Prime Minister is personally for SEATO and it was he that insisted on leaving the door open against the possibility of joining the pact in the future.

P. K. CROWE

*Asked about the Government's reaction to the efforts of the diplomatic corps here to swing Ceylon toward SEATO, he said that he had heard no criticism and felt that it was generally accepted that the representatives of France, the United Kingdom and the United States should endeavor to get Ceylon in line with Pakistan. [Footnote in the source text.]

396.1 MA/9–1554 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

SECRET COLOMBO, September 15, 1954—5 p. m.

98. Although likelihood Ceylon adhering Manila pact remote subject still under consideration by GOC and Prime Minister in several recent statements has steadfastly maintained GOC keeping open mind on matter. Press here still emphatically opposed Ceylon joining pact reflecting indirectly Leftist cajoling and also unquestionably strong Indian neutralist pressure. Moreover in view of such external possibilities as India's working out some form of non-aggression agreement with Communist China during visit of Nehru to Peking next month, Burma's leanings towards similar arrangement, Indonesia's efforts assemble Afro-Asian conference including Communist China, Ceylon may be irresistibly pulled further away from South Asian defense concept. Accordingly if Ceylon adherence Manila pact to be hoped for may be necessary formulate more positive approach this end.

Unquestionably most attractive element Manila pact for Ceylon is economic benefit to be derived therefrom. Therefore immediate question arises whether our government would consider that Ceylon's joining pact would supersede Battle Act prohibition against aid this country as result of Ceylon-Communist China rubber rice deal. If so could well be determining factor Ceylon's decision to join pact in near future and in turn forestall possibility Ceylon's becoming alienated by foregoing mentioned developments engineered by India and Indonesia.

Request earliest possible instructions.[1]

CROWE

[1] In telegram 100 from Colombo, Sept. 16, 1954, Ambassador Crowe made the additional comment: "If Ceylon's participation in Manila Pact is really important to us, I think now is time for a reappraisal of our policy toward the Island. Obviously, Ceylon will not join pact if she is ineligible for economic aid due to Battle Act. Clarification on this point soonest would be appreciated." (396.1 MA/9–1654)

460.46E9/10–454 : Telegram

The Ambassador in Ceylon (Crowe) to the Department of State

SECRET PRIORITY COLOMBO, October 4, 1954—11 a. m.

118. Reference Department Circular telegram 169 September 30.[1]

I believe that most important consideration as far as Ceylon is concerned is equal treatment this country with that accorded Indonesia respecting application Battle Act on shipment rubber to Communist China (either as "not knowingly permitted" or by withdrawal listing rubber under UN embargo). This factor is *sine qua non* if hoped for other objectives our relations with Ceylon can be expected. With re-

[1] Department circular telegram 169, not printed, requested the comments of 14 U.S. Embassies on the question of how the U.S. Government should react to violations of the U.S. and UN embargo of Communist China. In addition to Ceylon, Indonesia seemed on the verge of exporting rubber to China. The Department noted (paragraph 3) that its policy of exerting pressure on rubber-producing nations to embargo rubber to China could increase international opposition to the UN embargo. The U.S. should avoid the premature reversal of its position so as not to create the impression of being weak or vacillating, but it needed also to reduce its political liabilities in Asia and retain a maximum degree of diplomatic flexibility there. Therefore, in the event that Indonesian rubber shipments to China were definitely established, the Department proposed (paragraph 4A) that the U.S. urge Indonesia to inform the UN that it was removing rubber from the UN list (requiring total embargo to North Korea and China), but that it was adhering to the embargo in all other respects. Such an action would make it easier for the Battle Act administrator not to insist upon the total embargo of rubber to China, without undermining other aspects of the UN embargo resolution. The Department proposed (paragraph 4B) that Ceylon be informed promptly, in the event that Indonesia formally lifted its embargo of rubber to China (and only in that event), that "something less than the complete embargo of rubber" would be acceptable to the United States under the Battle Act. Ceylon should be told, if it inquired on the subject, that if it were to moderate its rubber trade with China and cooperate with the terms of the Battle Act in all other respects, that it would satisfy the Act's preconditions for U.S. aid. (460.509/9–3054)

gard proposed course outlined in Deptel, I perceive as previously reported Embtels 98 September 15 [2] and 100 September 16 [3] and Despatch 190 September 22,[4] any advantages our relations Ceylon. We are now on dead center here with little prospect on present basis of improvement for future.

In light these over-all considerations following points are believed to be significant:

1. Negotiations for renewal 1955 rubber-rice contract with Communist China now taking place in Peking and probably will be concluded by end of this week.

2. Even if time permitted it probably would not be advisable to attempt influence these negotiations. We could drop hints of possibility that Ceylon may be able to become eligible for US assistance, but this probably have to be in form firm commitment and even so might be used by Ceylon to improve its negotiating position or enable it to play off US with Communist China in future.

3. Embassy feels our government's course of action should be predicated entirely on Indonesian case as outlined Deptel paragraph 3 and 4A, with equal treatment all rubber producing countries this area and with no reference at this time or later to Ceylon.

4. It would follow that no impression be given to Ceylon of any *quid pro quo* for this country in sense of buying it out of Communist China rubber-rice agreement or buying it into Manila Pact.

5. On basis these conditions and ensuing lifting prohibition under Battle Act for Ceylon's qualification US assistance favorable climate would be automatically created for initiative by Ceylon to request economic cooperation from US and chances of bringing about closer relations between two countries through mere improvement of psychological atmosphere would be greatly enhanced.

6. I agree with procedure outlined reftel [paragraph] 4B with such adjustments as may be necessary by prevailing circumstances: keeping in mind that Ceylon may still have an operative agreement to sell rubber to China.

7. In order gain maximum benefit Department's course action as far as Ceylon concerned question of timing may be important. It is hoped in this respect steps contemplated by Department could be brought to stage where public announcement might be made in conformity paragraph 4A Deptel prior Ceylonese Prime Minister's arrival US this December. He departing Ceylon November 10.

8. It is anticipated that if such timing possible Sir John could then discuss in Washington US economic cooperation without inhibitions now attached by part of government and all of Ceylonese press. Any negotiations between our government and Prime Minister could be done therefore openly and preparatory to Parliamentary consideration and approval upon his return this country.

This in turn would unquestionably increase acceptability to Ceylon

---

[2] *Supra.*

[3] See footnote 1, *supra.*

[4] Despatch 190 from Colombo, not printed, provided a further analysis of Ceylon's attitude toward the Manila Pact and included pertinent local newspaper reportage (790.5/9–2254).

of Manila Pact. But as recommended in paragraph 4 above two factors should not be publicly linked.

9. Reverting to question of possible outcome of Ceylon-Communist Chinese rubber–rice contract negotiations, impossible to offer any guess what will happen. There are probably three alternatives; A. New contract will be entered into with same provisions as last year i.e., exchange 50,000 tons rubber for 277,000 tons rice, with rubber again to be bought by China at above world market and rice at cheap price; B. Complete failure of negotiations and breakdown of agreement; C. Compromise of reduced quantities of rubber in exchange for rice with diminished financial benefits to Ceylon.

Embassy would not be surprised if third alternative would result. If either possibility of A or C eventuate there is one plus value to be borne in mind. As far as Ceylon's economy is concerned and as far as the special economic interests of the country are involved criticism from these quarters of US economically stifling Ceylon and at same time criticism of government accepting US aid would be countered. Moreover a transition period would be provided over one year's time, an interval in any event which would probably be required to negotiate and implement any US assistance to Ceylon, for Ceylon's change over to the conditions of the free world rubber market from its present peg on China.

CROWE

033.46E00/11–1254 : Telegram

The Chargé in Ceylon (Espy) to the Department of State

SECRET COLOMBO, November 12, 1954—6 p. m.

159. Objectives round-world tour Prime Minister Ceylon reduced two categories: First, US–Ceylonese relations; second, Ceylon's position world affairs, primarily south and south-east Asia. At departure November 10 Prime Minister stated purpose world tour was "good will" and was "going abroad with open mind" and "did not intend enter into secret discussions or parlays". Previously Prime Minister stated before Parliament (Embdes 270)[1] he was "able go US with open mind and clear conscience. Ceylon is not recipient American aid and I do not therefore have to go America either with hat in hand or with accounts to square".

He added would be no agenda for talks but expected engage informal discussion variety subjects. He made known however he will not enter into definite commitments.

Press comment here has ranged from coolness to trip to blessings for success his good will mission. Continued opposition recorded any thought Ceylon becoming member of SEATO, primarily on principle of not joining power bloc. Criticism his making trip at all based on need his attention to urgent domestic problems: food, finance, racial

[1] Despatch 270 from Colombo, Nov. 6, 1954, transmitted the text of Prime Minister Kotelawala's speech in the Ceylonese Parliament on his pending visit to the United States and other countries (746E.13/11–654).

religious tensions, economic development planning. Practically all press played on theme real purpose Prime Minister's visit US is obtain aid "under Colombo Plan without strings" despite prohibition Battle Act. Several articles have appeared stating without attribution Ambassador Crowe convinced Ceylon deserves US aid.

With regard second category should be noted Prime Minister's visits London, Washington, Tokyo, Manila, Djakarta are precursor to series international conferences namely Colombo powers Djakarta end December, Commonwealth London end January, Afro-Asian possibly February. Information and impressions Sir John will receive may well influence position Ceylon these meetings including particularly Manila pact, relations Communist China, colonialism, economic cooperation.

Attention invited following problems consideration Department and also possible consultation London, Tokyo, Manila:

(1) US economic aid Ceylon. Can prohibition Battle Act be overcome and aid granted? If so, should it be entirely direct US–Ceylon bilateral arrangement or within Colombo Plan scheme or under Manila pact? Embassy submitting despatch next pouch this problem.

(2) SEATO. How far press Ceylon join Manila pact. Ambassador Crowe made personal study this question and will have views present Department. Economic features pact as already reported by far most interesting to Ceylon. Embassy also believes essential far stronger support than heretofore for inducing Ceylon join Manila pact required Commonwealth countries. Thought occurs to Embassy whether Nehru following visit Peking would refrain openly oppose if not openly give his blessing Ceylon join pact as in a sense sheet to windward defense India despite fact India not member.

(3) Relations Communist China. Press here early this month published Nehru's statement Rangoon that Communist China would like participate Afro-Asian conference. Embassy informed by Foreign Office felt Pakistan could be relied upon Colombo powers meeting Djakarta prevent invitation Communist China. Apparently continued heavy burden being placed on Pakistan prevent Nehru neutralism and coexistence pet themes to prevail. Embassy warned Foreign Office danger idea including Communist China snowballing but recommends British also use influence. Foreign Office further insisted that press reports to contrary, countries to be invited Afro-Asian conference must be decided upon by all Colombo powers at meeting. Special note taken fact Israel not included original Indonesia proposed tentative list.

Visit Prime Minister to Japan and Philippines may have considerable significance through opportunity appreciate Far Eastern non-Communist opinion. As reported Embtel 21,[2] November 5 Prime Minister stressed desire increase relations between Ceylon and Philippines. This could be forerunner establishment diplomatic relations two coun-

[2] This appears to be an error. Telegram 153 from Colombo, Nov. 5, 1954, discussed Kotelawala's plans for a visit to the Philippines (033.46E9B/11–554). There was no telegram 21 dispatched on this date.

tries which Embassy feels could be very helpful as liaison two areas Asia. Question Ceylon's relations Thailand might be raised in Department's talks with Prime Minister.

ESPY

033.46E11/12–254

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State

TOP SECRET WASHINGTON, December 2, 1954.

Subject: Talk with Ceylonese Prime Minister, Sir John Kotelawala

I. Attached as Tab A [1] is a chronology of the Kotelawala talks. Attached for your signature as Tab B [2] is a memorandum for the President on the Kotelawala visit. Before his appointment with you at 4:30 p. m., December 7, the Prime Minister will have talked with the President. Sir John's meeting with you, which might last for forty-five minutes to an hour, is his only talk in the Department.

The Defense Department has had a long-standing interest in base facilities in Ceylon. Currently Defense requirements are understood to be communications facilities for the Army and Navy and, possibly, for the Air Force; the Air Force also desires landing and transit rights at three Ceylon air fields. We have not so far deemed circumstances propitious for negotiating with the Ceylon Government in this matter. Until Ceylon is prepared to adhere to the Manila Pact, it is unlikely to favor American bases in Ceylon. However, the Defense Department is not disposed to allocate funds for obtaining these facilities beyond the actual cost of construction. Attached as Tab C [2] is a memorandum on Defense requirements in Ceylon.

II. Possible points for your meeting with Sir John follow:

A. *General International Situation*

The Prime Minister will be interested in knowing your personal views on the general international situation with emphasis on Indochina and Southeast Asia.

B. *Recommended United States Position–Regional South Asian Conferences*

1. We appreciate . . . Sir John's efforts to impress on some of his colleagues the realities of the Communist threat in Southeast Asia. We were gratified that the Conference did not take any action which made the Geneva talks on Indochina more difficult.

2. Very little is known about plans for a so-called "Afro-Asian" Conference which may be held in Djakarta in the spring. We understand that the Government of Ceylon is not especially enthusiastic about such a Conference. We wonder whether the proposed Conference

[1] Not printed.
[2] See below.

can accomplish much of a constructive nature in view of the diverse interests and differences of view among the possible participants. If, as seems possible, the Conference finds common agreement only on such matters as European colonialism or racism, the results would not contribute to the solidarity of the free nations. We hope Sir John will exercise a moderating influence on the deliberations of the Conference if it is held.

Anticipated Ceylon Position

Sir John may be expected to express understanding of our views as to the dangers of such a conference. Nevertheless, it is doubtful that he would be inclined to oppose the Conference when it comes up for discussion at the next meeting of the "Colombo Powers" in Djakarta in December.

C. *Ceylon's Desire for United States Economic Assistance—(If Sir John raises the question, which is expected.)*

Recommended United States Position

1. We would be sympathetic to assistance to Ceylon if Ceylon's course were to be consonant with the objectives of the Battle Act. At this time, however, Ceylon's present rubber trade with Communist China stands as a bar to American help to Ceylon, and whether or not developments will be such as to permit us to offer aid to Ceylon cannot now be forecast. Nevertheless, in view of our sympathy for Sir John's problem, we shall be glad to have another examination of Ceylon's difficulties.

2. If Sir John contrasts the application of the Battle Act to Ceylon with its application to other countries trading with the Soviet bloc, we may point out that the difference is that Ceylon's trade is with Communist China (as contrasted with trade controls on the European Soviet bloc) and on a regular contractual basis in large quantities, rather than on a spot basis as has been the case of other countries.

Anticipated Ceylon Position

While Sir John is well aware of the situation as regards the Battle Act, he desires American aid and may wish to explore means whereby Ceylon might become eligible for it. He might suggest that substantial American aid extending over a period of years would be sufficient to allow the Government of Ceylon, from both the political and economic points of view, to decide to abandon the Chinese rubber trade.

D. *The Manila Pact*

Recommended United States Position

1. We hope that Ceylon eventually will associate itself with the Manila Pact. We understand, however, that public opinion in Ceylon presently does not favor adherence to the Pact. We would not wish Ceylon to adhere to the Pact if such action would lead to Sir John's dismissal as Prime Minister.

Anticipated Ceylon Position

Sir John has informed us that he personally favors the Manila Pact in principle but that public opinion is opposed. The Ceylon Government has not made a final decision on the question of adherence. Last September it was particularly interested in the possible economic benefits which Ceylon might derive from adherence. Sir John might take the position that Ceylon public opinion could be won over to adherence

if he could hold out to the public the prospect of substantial economic benefits in the form of foreign aid and an assured alternative market for Ceylon's rubber. He may also mention the problem which India's opposition to the Manila Pact poses for Ceylon.

[Tab B]

Memorandum by the Secretary of State to the President [1]

SECRET WASHINGTON, December 4, 1954.

Subject: Your Talk with the Prime Minister of Ceylon, Sir John Kotelawala, 12:30 p. m., December 6, 1954

The Prime Minister will be accompanied by Ambassador Crowe and Acting Assistant Secretary Jernegan, as well as by Mr. R. S. S. Gunewardene, the Ambassador of Ceylon and Mr. Gunasena de Soyza, Permanent Secretary of the Ceylon Ministry of External Affairs.

Sir John heads the United National Party, is personally strongly anti-Communist, and has been Prime Minister since October 1953. Sir John told Ambassador Crowe that he would like to talk to you "about Communism". You might ask him for his views on the communist threat in Asia and his ideas on how best to meet it.

I shall see Sir John in the afternoon of December 7. I expect he will want to discuss the general international situation particularly in Southeast Asia, and to explore the question of American economic assistance to Ceylon. While we would be sympathetic to assistance to Ceylon if Ceylon's course were to be consonant with the objectives of the Battle Act, Ceylon's present trade in rubber with Communist China which it has been carrying on since soon after the outbreak of hostilities in Korea makes Ceylon ineligible to receive American financial or economic assistance. We recognize that Ceylon's present rubber trade to which we are opposed is based on economic considerations and does not imply sympathy for Communist China or communism generally.

For your information we are studying the possibility of offering Ceylon a modest amount of aid if it on its part should take some action which we could regard as bringing its policies into closer conformity with the purpose of the Battle Act. At the moment, however, it is not possible to offer aid to Ceylon, nor desirable to discuss our present policy review with Sir John.

Sir John conceived the idea of periodic meetings of the "Colombo Powers" (Ceylon, India, Pakistan, Burma and Indonesia). His influence at the first conference last April was generally favorable to our interests. . . . We want Ceylon to maintain an attitude friendly toward the United States at such regional meetings including the projected "Afro-Asian" Conference in Djakarta.

[1] Drafted by W. L. S. Williams of the Office of South Asian Affairs.

We hope Ceylon will eventually adhere to the Manila Pact, although public opinion in Ceylon presently does not favor adherence. Ceylon has little to contribute to area defense now except its strategic location and facilities including the Naval base at Trincomalee and a large air base which the United Kingdom already uses.

Sir John once was active in the Ceylon Light Infantry and rose to the rank of Colonel. He might be pleased by an allusion to his military experience.

He will present a silver inkstand to you.

JOHN FOSTER DULLES

[Tab C]

TOP SECRET [WASHINGTON,] December 1, 1954.

UNITED STATES MILITARY REQUIREMENTS IN CEYLON [4]

Since 1948, the year of Ceylon's independence, the Department of Defense has expressed needs, varying from time to time, for installations in Ceylon primarily in the field of communications. The need for Defense facilities in Ceylon will exist as long as there is a possibility of allied strategic air operations in that part of the world. Ceylon's importance as a communications link was emphasized by the airlift of French troops to Indochina via Ceylon earlier this year, following India's refusal to permit the use of Indian facilities for this operation.

In its last communication on the subject, the Department of Defense notified the Department of State by letter dated April 16, 1954, that the United States Air Force requirement for a heavy bomber staging base in Ceylon had been deleted because of the delay in securing base rights in Ceylon; that the US Air Force communication requirement was being reviewed in the light of the doubtful prospects for obtaining rights in Ceylon; that the Navy communication requirement in Ceylon might likewise be modified; and that the Army communication requirement remained. The Department of Defense stated further that in the eventuality negotiating prospects with Ceylon improved it would desire to reassess the military planning for that area.

The requirements as of December 1 are understood to be communications facilities on the part of the Army and the Navy, and possibly communications facilities on the part of the Air Force. The Air Force has a requirement for transit and landing rights at three existing airfields in Ceylon.

[4] This statement was cleared by Col. J. J. Throckmorton of the Department of Defense.

Our Ambassador in Colombo initiated informal discussion with the Ceylonese Prime Minister (then Don Stephen Senanayake) in January 1949 with a view toward the establishment in Ceylon of a Navy communications facility comprising one officer and twenty men. The Prime Minister evaded a reply to this request, stating that he wished to defer consideration of it until clarification and more specific definition was given to the terms of the United Kingdom-Ceylon Defense Agreement of 1947. Such clarification apparently never was reached. Furthermore, the Office of the High Commissioner for the United Kingdom at Colombo on January 29, 1954, informed the US Embassy that negotiations were initiated in 1951 for drawing up a more detailed defense agreement but that those negotiations were never brought to a conclusion. The fact that the UK has been unable over a period of years to reach a detailed agreement with Ceylon suggests that the US would encounter even greater difficulties in bringing negotiations to a successful conclusion; Ceylon is a member of the Commonwealth and its ties with the UK are well recognized and much closer than those with the US. The United States Government did however obtain in 1949, on a secret basis and without the use of US Navy personnel on shore, permission from the Government of Ceylon for the lease of oil storage facilities of the British Navy in Ceylon.

Since the original approach to the Prime Minister the Department has from time to time queried our Embassy regarding the prospects for favorable negotiation for Defense facilities. Each time the answer has been that prospects were unfavorable and that a substantial *quid pro quo* would be required before they could be improved.

Major factors in an assessment of Ceylon's attitude toward the granting of base facilities are:

1. The defense of Ceylon is already provided for by its Defense Agreement with the United Kingdom.
2. Ceylon desires substantial economic and financial assistance from the US. Since 1951 US aid to Ceylon has been suspended because of its trade in rubber with Communist China.
3. Ceylonese public opinion favors noninvolvement in the "cold war" or in a possible "hot war"; the US is more closely identified with the "cold war" than is the UK.
4. Ceylon fears the possibility of eventual domination by India; this is balanced by a general respect for India and fear that closer involvement with the US may make settlement of the important question of Indians in Ceylon even more difficult than it is now.
5. Ceylon probably considers that military involvement with the US might force an end to its progressively less lucrative, but still financially attractive, trade in rubber with Communist China. Ceylon is loath to give up this trade unless it receives comparable financial benefits.

Ceylon's failure to attend the Manila conference last September and its failure since then to adhere to the Manila Pact leave little doubt

that Ceylon is not prepared at this time to grant facilities for United States defense installations in Ceylon without a substantial *quid pro quo*. Ceylon's official attitude on the Manila Pact is, however, that it "is prepared to maintain an open mind on the subject". The Prime Minister informed our Ambassador on September 16 that the Cabinet had agreed with him not to make a decision regarding the Manila Pact until after the Prime Minister's return from his visit to the United States.[3]

[3] No record has been found of any further Department of Defense efforts to gain military base facilities in Ceylon.

033.46E11/12–1054 : Telegram

The Secretary of State to the Embassy in Ceylon

SECRET WASHINGTON, December 10, 1954—11 : 03 a. m.

167. Prime Minister's Washington visit believed entirely successful from US Government's point of view and remarks by Prime Minister and members party lead us believe visit was satisfactory their view. Prime Minister departed for Akron morning ninth accompanied by members party and Ambassador Crowe.

In talk with President substantive matters did not arise.

In hour and fifteen minutes with Secretary Prime Minister referred to Ceylon's apprehensions regarding India, agreed that communism was primary danger in Asia, stressed economic development as best means combatting communism in area, expressed appreciation fact door still open other Asian countries adhere Manila Pact. Secretary noted Communist China had not yet given proper indications of desire for peace, and discussed difficulty of defining aggression and subversion. Secretary explained US view that under present circumstance strength in face communist threat was best approach to peace, and reviewed for Sir John US position on Chinese Communist representation in the United Nations.[1]

In talks with Stassen [2] and Weeks [3] Prime Minister stressed hope for development in Ceylon and US assistance particularly for development of small scale industry, and explained need for resources survey and technical advice. In talk with Stassen Prime Minister gave some indication he might be thinking in terms possible reduction or abandonment rubber trade with Communist China next year, and indicated he believed review Battle Act problems worthwhile on both sides.

Ambassador Crowe had earlier suggested to Sir John on highly tentative basis possibility that if Ceylon were to take action to bring trade

[1] For documentation on this subject, see vol. III, pp. 620 ff.
[2] Harold Stassen, Administrator of the Foreign Operations Administration.
[3] Sinclair Weeks, Secretary of Commerce.

policy into consonance purpose Battle Act including reduction rubber trade by perhaps fifty percent way might be found offer Ceylon modest amount economic assistance. Sir John seemed interested told Crowe he would examine this idea.

In talks US officials Sir John indicated some understanding Battle Act problem and realization that Ceylon would have to do something on its part to become eligible for US aid.

In talk Jernegan, de Soyza said Colombo powers meeting Djakarta would last only day and half and only item on agenda Afro-Asian conference. Showed no enthusiasm for such conference.

Visit given favorable and moderately extensive press coverage.

Memoranda conversations pouched.

DULLES

INDIA

PRINCIPAL PROBLEMS AND POLICIES IN RELATIONS WITH INDIA[1]

Editorial Note

Ambassador Chester Bowles and Prime Minister and Minister for External Affairs Jawaharlal Nehru signed an agreement and thereby brought into force a technical cooperation program on January 5, 1952. For the text, see *United States Treaties and Other International Agreements* (UST), volume 3 (pt. 2), page 2921. Documentation regarding the negotiation of this agreement is in Department of State files 791.5 MSP and 891.00 TA.

[1] For previous documentation on this subject, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 2085 ff. For related material, see pp. 1057 ff. and 1162 ff.

891.00/1–1852

Memorandum by the Deputy Director of the Executive Secretariat (Barnes) to the Staff Assistant to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Hemba)

CONFIDENTIAL [WASHINGTON,] January 18, 1952.

Following his discussion with Ambassador Bowles the other day the Secretary assured the Ambassador that he would help him push his ideas on the economic program for India.[1] I pass this on so that the appropriate people in NEA will be aware of the Secretary's interest in this program and will be alert to the desirability of raising it to his level as may seem desirable in the future.

R[OBERT G.] B[ARNES]

[1] According to a memorandum from Burton Y. Berry, Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, to Secretary of State Acheson on Jan. 16, 1952, the Secretary was scheduled on Jan. 17 to have an appointment with Ambassador Bowles, who was in Washington at that time for consultations regarding U.S. policy toward India (611.91/1–1652).

791.5 MSP/2–852

Memorandum by the Acting Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) to the Deputy Under Secretary of State (Matthews)[1]

SECRET [WASHINGTON,] February 8, 1952.

Subject: Attached Telegram to New Delhi;[2] 1953 India Aid Program.

Discussion

The attached telegram represents an effort to explain to Mr. Bowles that under the circumstances his proposal to grant $125,000,000 to India for commodities would be unlikely of adoption, and to comment on difficulties being encountered in our efforts to have certain amounts restored to the Mutual Security Assistance program for South Asia. The telegram will necessarily seem disappointing to the Ambassador who is dealing with a most urgent situation; he may as a result reply in a critical vein, especially since he believed he succeeded in obtaining a large measure of understanding and agreement in Washington.[3]

NEA wishes to make it clear that it continues to regard $150,000,000 program for South Asia in FY 1953 as the minimum which may be expected to achieve our aims, i.e., to help the countries of South Asia, particularly India, to strengthen their national economies as a prerequisite of political stability, and to prevent subversion of a strategic region containing nearly half a billion people and natural resources which play an important part in our defense program.

There is no time to lose. Communist gains in the recent elections in India show clearly that the conditions our program is designed to combat are being successfully exploited by Communist agents. NEA believes that if South Asia is subverted it will be only a matter of time before all of the Asian land-mass and over a billion people will be under Communist domination, and our national security will face an unprecedented threat. NEA believes that if this very real possibility materializes, the Department will find it difficult to defend any action

---

[1] This memorandum was drafted by T. Eliot Weil and Donald D. Kennedy, the Deputy Director and Director, respectively, of the Office of South Asian Affairs.

[2] The draft telegram to be transmitted to New Delhi indicated to Ambassador Bowles that there was no possibility of submitting any supplemental legislation to Congress which would recommend that India be granted additional aid to procure such commodities as wheat and cotton.

The draft also was designed to inform the Ambassador that the Mutual Security Assistance budget being submittted for India for FY 1953 for economic development called for a grant of approximately $70 million; that the Department was trying to increase this amount of aid; but that it was not practical for Bowles to expect the Department to secure $150 million for economic aid to India.

[3] Ambassador Bowles had been in Washington for consultations from Jan. 14 through 17 and from Jan. 21 through 23, 1952.

which may have reduced the amount now requested for the region for FY 1953.

Recommendation

That you sign the attached telegram.[4]

[4] The draft telegram described in footnote 2 above was sent to New Delhi as Department telegram 1631 on Feb. 11, 1952, not printed. It was drafted by Kennedy of the Office of South Asian Affairs and was signed by Secretary of State Acheson. (891.00 TA/2–552)

891.00 TA/2–2152 : Telegram

The Ambassador in India (Bowles) to the Department of State

TOP SECRET NIACT NEW DELHI, February 21, 1952—5 p. m.

3002. Deptel 1631, February 13,[1] most disturbing to us here. If this proves to be final word on Indian aid for 1953, I believe we will have committed a blunder of extremely serious proportions. If India goes under during next few years, the negative arguments expressed reference telegram will sound flimsy indeed.

In my opinion our responsibility is to propose what is right and necessary and not simply what we think Congress will accept. Situation here is much too dangerous for compromise in this way. In view of Communist victory in China, Congress will hesitate long time before they turn down program we have proposed.

At President's suggestion, have cabled him expressing my concern.[2]

BOWLES

[1] See footnotes 2 and 4, *supra*. Apparently Ambassador Bowles did not receive this telegram until 2 days after the Department had transmitted it to New Delhi.
[2] The reference is to New Delhi telegram 3003, Feb. 21, 1952, *infra*.

891.00 TA/2–2152 : Telegram

The Ambassador in India (Bowles) to the Department of State

TOP SECRET NIACT NEW DELHI, February 21, 1952—5 p. m.

3003. For President Truman. You were kind enough ask me write or cable directly to you if I ran into difficulty so here goes.

Latest information from Washington indicates 1953 India aid program unlikely be increased despite the fact that I believed top officials all agencies concerned during my Washington trip agreed with our analysis of extreme urgency and danger present situation here. Discussed with MSA, ODM, CIA, Pentagon, Bureau Budget and all levels State Department as follows:

Survival democratic Indian Government over next 5 years definitely unlikely unless bold steps are taken now to sharply increase food pro-

duction and strengthen economy. Recent Communist successes South India indicate how rapidly political and economic situation here could disintegrate. Failure of Indian democracy would in all probability result in disaster substantially greater than Communist victory in China since Southeast Asia and Middle East would become impossible to hold once India is lost. Communist sweep in Asia would gravely undermine our position Europe and convince hundreds of millions our friends all over world they are betting on wrong horse. Soviet Union is well aware of dynamic possibilities of this situation. If we succeed in stabilizing lines of Europe through NATO their efforts in Asia, already great, will surely be stepped up considerably with India as principal target.

Proposed economic aid program is minimum effort which can enable us begin meet this situation. American aid by itself will not guarantee that Communism will be stopped in India and democratic government survive but combined with determined effort on part Indian Government it can greatly increase chances of success. Looking at situation positively, India through wise handling, adequate aid and good luck can be built into solid dynamic democratic bastion with results far-reaching not only in Asia but world-wide. We face choice of acting now with reasonable chance of success or finding ourselves faced 2 or 3 years from today with potentially catastrophic situation which is rapidly getting out of hand.

This analysis represents combined judgment all top people our Embassy . . . British, French, other experienced observers. However Department's telegram 1631 [1] indicates dangers and opportunities of this situation are being largely disregarded in setting 1953 budgets. Basic reason seems be not disagreement over what is needed but alleged difficulty getting Congressional action. Even if this appraisal Congressional situation correct it would be serious blunder to follow timid course.

Greatest single strength your administration has been fact you have taken each critical situation as it arose, figured out what was right thing to do and then gone ahead and done it regardless of opposition. In this tradition a positive proposal to Congress and the people to stop the disintegration of India would seem the right course even though Congressional agreement seems impossible.

However I seriously question supposition that Congress would reject this program. Have received letters and reports from Hill and many people of standing in public life indicating keen understanding urgency and promise of support. Believe United States people though convinced great need rearmament understand Communism cannot be successfully defeated by arms alone and that positive efforts to make democracy effective in under-developed areas is essential. The ap-

[1] See footnotes 2 and 4, pp. 1634 and 1635, respectively.

plause that greeted your reference to India Point IV aid an indication of this. Also response to my own speeches in the States.

India perfect test Point IV concept. Second largest country in world in a key strategic position in Asia. Present government devoted democratic way, sound development program ready to go, great natural resources, willing people. Short on food, capital, technical know-how. Half measure can result disintegration present democratic government, despair of people, open invitation to waiting Communists take over.

Your proposed program aimed to reach 120 million village people India in 4 years time and make India wholly self-supporting in food and probably cotton within that period. Our entire emphasis on making dollars produce several times their value in production here. Total 4-year cost for 360 million Indian people no more than amount spent on economic aid Greece and annual total economic and military aid committed to Formosa, an island of 8 million which symbolizes Communist victory in China, a nation of 400,000,000.

If Republican party refuses support this program for India then the basic political motivation and dishonesty of their criticism past Chinese policy will be dramatically evident to all concerned. I believe this program is not only minimum on an economic basis but also sound politically and truly vital if we not to share responsibility India going way of China.

Believe me I wld not send this urgent cable to you unless I earnestly believed that situation required it. If you were here I am absolutely confident you would see it as we see it. What I have proposed is establishment of some basic new strategic values in our foreign policy. Many sincere individuals while accepting our reasoning reject logical action that must follow because they believe total amount of economic aid cannot be changed and no one wants to see his own budget cut. Only you can put this situation in balance and thus enable us to cope successfully with the constantly growing Communist tide in India and in Asia. Regards.

BOWLES

891.00 TA/3–352 : Telegram

The Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, March 3, 1952—5:32 p. m.

1806. For Amb. Appreciate ur info and helpful messages on Indian situation. Ur proposals have received careful attention of Pres, MSA and Dept, and in light of all relevant factors it has just been decided

[1] This telegram was drafted by Kennedy of the Office of South Asian Affairs and was signed by Secretary of State Acheson.

to increase budget amount 1953 econ aid SOA from $90 million to $150 million of which $115 million wld be for India. Provided Congress appropriates funds, this practically meets ur orig recommendation for $125 million econ development program and represents real opportunity to move ahead with constructive, positive and imaginative approach during fiscal years 52 and 53.

No provision included in 1953 budget for $125 million grant aid for wheat, milo and cotton but will keep this question under constant examination. Wld be necessary make clear and compelling technical case need for this additional aid and persuasive justification additional contribution such aid wld make to US fon policy over and beyond that to be realized under presently proposed programs. For example, on basis India 5-year Plan data, using best present judgment on sources and amounts of external financing from use sterling balances, Colombo Plan contributions, IBRD, deficit will approximate $125 million annually next four years. If 5-year Plan data vitiated by adverse balance of payments developments or otherwise superseded, critical and detailed study required. Among other things will require detailed examination balance of payments position GOI and evidence that fon exchange saved by grant aid for commodities mentioned can and will be usefully used by GOI for additional capital equipment needed from abroad. There also wld be increased difficulty establishing that items such as electrical equipment, tractors, heavy earth moving equipment will be available in additional amounts indicated by such increase in program.

Continue believe it wise to refrain from further discussions publicly and with GOI size and detailed character 1953 program since Cong still must approve proposed budget.

ACHESON

Editorial Note

Secretary of State Acheson on October 17, 1951, and the Indian Ambassador to the United States, B. R. Sen, on March 26, 1952, signed and thereby brought into force on March 26, 1952,,an agreement providing for duty-free entry into India and free inland transportation therein of relief supplies and packages. This agreement was signed by the United States and India as an application of the agreement pertaining to the same items which had been entered into force on July 9, 1951 (TIAS No. 2291, 2 UST (pt. 2) 1483). For the text of the agreement of March 26, 1952, see TIAS No. 2918, printed in 5 UST 298.

791.5 MSP/4–1852

Memorandum by the Consultant to the Secretary of State (Cowen) to the Director of the Office of Military Assistance in the Department of Defense (Olmsted)

CONFIDENTIAL [WASHINGTON,] May 13, 1952.

Subject: Request Involving Reimbursable Military Assistance under Section 408(*e*) of the MDAA, as Amended.

Reference is made to the following request:

Note from the Embassy of India to the Department of State dated April 18, 1952,[1] requesting authorization to procure from 50 to 200 F–84E, F–80B, F–9F aircraft plus a six years supply of maintenance spare parts. In addition, the request included 54 fully equipped C–119 Fairchild aircraft for delivery between 1954 and 1956.

Although the Department of State approves, from an economic and political viewpoint, the furnishing of a reasonable quantity of the types of aircraft requested under the provisions of Section 408(*e*) of the MDAA of 1949, as amended,[2] this approval is subject to the estimate, by the Department of Defense, of the quantity of aircraft that India's military requirement can utilize effectively.

The views of the Department of Defense are requested.

M[YRON] W. C[OWEN]

[1] Not printed; the record copy of the Indian Note numbered Air Att/104/AP/1/52 is in Department of State file 791.5 MSP/4–1852.

[2] The Mutual Defense Assistance Act of 1949, as amended, was signed into law on July 26, 1950, as Public Law 621. For the text, see 64 Stat. 373.

791.13/5–1552: Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, May 15, 1952—2 p. m.

4237. Nehru's cabinet reshuffle is gen in line with forecasts and occasions no surprise except last minute appointment of K. C. Reddy to newly established Production Min. Press and political comment has been politely favorable if not enthusiastic. Nehru's critics may be expected to criticize new cabinet as nothing more than face-lifting his old and with some merit, we think. New appointees are limited six mins, one of whom once before a Min (Kidwai). Several most important posts remain in hands Nehru's close associates such as Azad, Amrit Kaur (we feel both might have been replaced to good advantage), Ayyangar, Nanda, etc. There noteworthy failure introduce "new blood" which so urgently needed provide cong with administrative continuity.

It clear despite Nehru's avowed aim achieve secularism communal considerations present in selections. Thus cabinet includes two

Moslems (Azad and Kidwai), one Sikh (Saran Singh); one Harijan (Jagjivan Ram); and one non-Brahmin (Reddy). Amrit Kaurhas evidently been retained to give representation to India's women. Geographical considerations appear also not to have been neglected; virtually all important states are represented, although with seven mins from UP, Nehru will be accused of partiality to his own state.

It seems to us on balance new cabinet represents some improvement over old. Thus Ayyangar should bring new competence to defense which suffered under Baldev Singh's weak administration. Katju, who takes on states while dropping law, has shown competence during his few months in office and his retention in all-important Home Ministry is happy augury for future. Giri with long labor record and experience in Madras states should bring fresh and constructive approach to labor which suffered inexpert hands of Jagjivan Ram who has been shifted to relatively unimportant communications post. Kidwai, who has reputation for vigor and administrative capacity, should be vast improvement over scholarly and well-intentioned Munshi, under whom important Agri Min unable function smoothly or efficiently. Krishnamachain is untested, but seems likely he, with his technical knowledge of economics, will be improvement in commerce and industry over provincial politician Mahtab who reportedly felt private enterprises shld play larger role in India's development than Nehru.

Swaran Singh comes with good reputation from politically stormy Punjab to take over works, housing and supplies (from which production now divorced), but there wide-spread regret popular and capable Gadgil relieved. Gadgil's departure is believed to herald virtual end Patel influence in cabinet. Nanda, in addition planning, takes on river valley projects which signifies stress Nehru places on latter development in relation five year plan.

Shastri, who had good administrative record as Home Min in UP and who personally close Nehru, shld be able handle railways competently. Biswas functioned capably as minority min and shld acquit himself well in concurrent law post. Reddy enjoyed good reputation chief Min Mysore, but it unclear whether he has ability operate such complex projects as Sindri. Keskar shld prove vastly better in info and broadcasting than Diwakar, who unimaginative and poor administrator.

Departure of Bajpai from MEA will throw further heavy burden on Nehru and at same time increase difficulties of diplomatic corps in arranging high level contact with MEA. While well intentioned and capable, K. P. S Menon is loath accept responsibility and act on own initiative in manner comparable Bajpai.

To sum up, new cabinet represents retention of bulk of Nehru's old guard plus few new appointees of good caliber with whom Nehru

feels he can work in full political and social harmony. But, as Dept is well aware, Nehru is dominating character and will, in any case, determine policies to be followed. Therefore, we need not look for any appreciable changes of policy, internal or external, to emerge from new cabinet.

BOWLES

891.00 TA/5–1952

Memorandum by the Deputy Director of the Office of South Asian Affairs (Weil) to the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Berry) [1]

SECRET [WASHINGTON,] May 19, 1952.

Subject: Embassy New Delhi's Proposal for an Additional $125 Million of United States Aid to India in FY 1953

In the early part of 1952 Ambassador Bowles assessed our position in India in the light of most recent developments. Subsequently he proposed that the Executive Branch request the Congress to authorize an additional $125 million in US aid to India for 1953. He pointed to the internal political situation in India and the basic requirement for immediate additional economic assistance in order to maintain and strengthen India's ability to remain a part of the Free World.

In Deptel 1806, March 3, the Secretary informed Ambassador Bowles that we were proposing to the Congress a program of $115 million of US aid to India in fiscal 1953, but would keep under constant examination the Ambassador's proposals for additional aid. In a later communication Ambassador Bowles stated that "once we agree on the facts I believe we have a clear, unrelenting responsibility to recommend to the Congress" [2] this additional program.

An informal intra-departmental Working Group [3] was established to study the facts of the situation. The Working Group reached agreement on the first four points summarized below. These and other points following are covered more fully in the attachment to this memorandum prepared by SOA.[4]

1. The current political situation in India heavily underscores previous statements made by the Department regarding the interrelation-

---

[1] This memorandum was drafted by J. Robert Fluker, Acting Officer in Charge, Economic Affairs, Office of South Asian Affairs, and by Peter H. Delaney of the Office of South Asian Affairs.

[2] The quotation is from New Delhi telegram 3921, Apr. 24, not printed (891.10/4–2452).

[3] This Working Group was composed of representatives of the Investment Development Staff of the Bureau of Economic Affairs; the Division of Research for Near East, South Asia, and Africa of the Office of the Special Assistant to the Secretary of State for Intelligence; the Technical Cooperation Administration; and the Office of South Asian Affairs of the Bureau of Near Eastern, South Asian, and African Affairs.

[4] The attachment to this memorandum, "Aid to India", is not printed.

ship of economic development and political stability, the importance of India in the containment of communist aggression in Asia and the need for early improvement of the Indian standard of living. It is generally agreed that, since general elections must be held by 1956–57 at the latest, the present Government of India must produce that improvement within five years. The present low standard of living among the people of India is being fully exploited by the Communist Party in India, whose gains in the recent elections clearly placed the present Government of India and the whole of the West on warning.

2. The United States program aims at reaching the people of India directly. The most important way of reaching the people is by aiding the Government of India to increase food production in the very near future. The community development projects in the United States program will make an important contribution to the solution of the food problem while dealing directly with the people at the village level through a democratic organization which will go far to demonstrate to the people of India the relationship between material benefits and the democratic approach.

3. India must establish by 1954 the concrete pattern of economic development necessary for achievement of the goals set for 1956–57. Recent developments raise grave doubts regarding India's ability to do this.

4. It has become increasingly clear that the original estimates of the Indian Five-Year Program were inadequate at least with respect to the goals established for increased food output and the efforts needed to reach such goals. Moreover, the calculations themselves were in terms of prices which were more favorable to Indian development than are present prices. Since the original Five-Year Plan estimates did weigh heavily in determining the level of aid requested from the Congress for fiscal 1953, higher levels of assistance will be needed from abroad if our political objectives in India are to be accomplished by 1956–57. The Working Group did not come to an agreement regarding the immediacy of the need for supplementary funds. However, if there is general agreement in the Department that this is a propitious time for approaching the Congress for such expanded assistance, the Working Group recommends such an approach.

SOA believes that the above points and conclusions representing the maximum complete agreement reached in the Working Group do not present clearly the problems involved, and do not reflect adequate consideration of the best economic data available to the Group. SOA notes some inconsistency in the Group's acceptance of the first three points and its unwillingness to come to the conclusion that a request to the Congress for additional funds is warranted now on the basis of those points and the realization that United States aims are more likely to be achieved by earlier rather than later action. The following broad facts, elaborated upon in the attachment, are deemed by SOA to be basic to any analysis of the proposed additional program:

5. While it is apparent that some statistical details of the economic data are not presently available, it is equally apparent that the crucial nature and general orders of magnitude of the problems facing the Government of India are fairly represented in the best information

available in the Department and supplied us by the Embassy at New Delhi. SOA believes that these data show clearly that:

A. The most significant aspect of the present problem is India's inability to mobilize sufficient savings to support the rate of investment necessary to carry on its economic development program. Total investment planned for fiscal year 1953 is $1,320 million (excluding the additional amounts required for community development) as compared with estimated savings of $900 million. The short-fall of savings in relation to the essential level of investment must be met. The Indian budget estimate for 1952–53 shows a real deficit of over $300 million or about one-fourth of the total budget. Savings inherent in the public accounts are already included in the estimated $900 million of total savings.

B. India's balance of payments has taken a very unfavorable turn since India incurred a small surplus on current account in 1950, culminating in a deficit estimated at $420 million in fiscal year 1953. The estimated deficit for fiscal year 1953 takes into account neither recent price developments nor the total amount of imports required for the community development projects. With sterling balance availabilities of no more than $155 million for this fiscal year, it is obvious that this deficit can be met only through outside aid.

6. SOA is aware of the broad range of considerations related to a decision to approach the Congress at this time. These considerations include the possible views of Pakistan, the apparent growing United States public sentiment in favor of the proposal, and the matter of form and procedures of an approach to the Congress for an additional $125 million for India in fiscal year 1953. On balance, SOA believes that an approach to the Congress on this matter stands a reasonably good chance of being received favorably.

7. Ambassador Bowles' proposal would utilize the $125 million for commodity imports—e.g., grain and cotton, which would create immediate benefits for the people of India and would also provide additional local currency for the community development projects. While SOA recognizes the validity of that proposal, it also recognizes the tactical and real advantages of extending aid for developmental imports only (capital goods and materials directly related to the development program). It is SOA's considered opinion that in order to be prepared to deal with the changing situation in India, United States interests can best be served by an approach to the Congress now on the basis of a program intended for developmental imports but which permits a degree of flexibility in the ultimate apportionment of funds between developmental and consumers' goods.

Recommendations

That you authorize discussions with the Administrator of the Technical Cooperation Administration, the Assistant Secretary for Economic Affairs, the Assistant Secretary for Congressional Relations and the Special Assistant to the Secretary for Mutual Security Affairs, with a view to approaching the Secretary in order to formulate a Departmental position on $125 million in additional assistance for India in fiscal year 1953.

691.00/5–2652 : Telegram

The Chargé in India (Taylor) to the Department of State

TOP SECRET NEW DELHI, May 26, 1952—2 p. m.

4427. Following from Bowles prepared just prior his departure:[1]

"In line with promise made me two weeks ago Bajpai came my house for long extremely confidential talk Saturday night May 24 about attitude of Nehru, his associates and GOI relationship with USSR and Communist China. Bajpai made point he willing talk with me frankly on confidential basis because he gave up his portfolio Saturday afternoon and because he felt by speaking with complete frankness to me he could best serve not only his own country, but prospects for peace. Bajpai made following points:

1. Death of Patel, departure of Rajagopalachari and by implication departure of Bajpai, eliminated all strong influences around Prime Minister and has increased even further his complete dominance GOI Government.

2. There only three people with whom Nehru now consults on intimate basis:

a. Deshmukh, who has great influence with him on financial matters, budget, et cetera and who willing argue with Prime Minister vigorously this field, but who is rarely consulted on political matters.

b. Katju, Home Minister, whom Bajpai described as confused opportunist, weak, too anxious please.

c. N. Gopalaswami Ayyangar, Defense Minister, whom Bajpai described as vain, intelligent, but easily dominated.

3. Nehru completely dominant and no one has status or courage stand up against him when he determines on course of action. President stands aside. Vice President described as theoretical intellectual. However, Bajpai stressed Nehru had complete personal integrity, brilliant mind, unlimited courage and profound dislike for totalitarian methods. He stated Nehru considered himself quite far to left and somewhat of revolutionary, but his inherently conservative background and education would strongly influence him towards middle road policies. He pointed out Nehru had vigorously supported Deshmukh budget which is most conservative approach to India's economic problems.

He stressed fact Nehru vain and extremely sensitive. For instance, he said Nehru most upset about recent *New York Times* editorial which drew what we consider rather unwarranted criticism from Nehru's remark POW issue Korea[2] seemed be only thing holding up truce and he hoped both parties would cooperate, find answer. Bajpai stated Nehru actually supports our position this issue.

---

[1] Ambassador Bowles had returned to the United States for consultations regarding U.S. policy toward India.

[2] For documentation regarding Korea, see volume XV.

4. Bajpai said there no Cabinet member remotely sympathetic Communists. Said we should stop worrying about India's attitude toward USSR. Stated on China Nehru convinced government Communist and totalitarian and this view shared by all Indian Cabinet. Stated, however, India would continue talk softly on subject Communist China because common long boundary and fear Chinese aggression southeast Asia. I pointed out if Communist China decided move south it would not be deterred by India's efforts maintain superficially friendly relations. Bajpai said agreed, but he describing not own views, but those of colleagues. Bajpai emphasized there no sympathy whatsoever for totalitarianism in Cabinet, but there oversupply fuzzy mindedness and some wishful thinking.

5. Specifically in case Russia Bajpai stated Nehru had lost whatever illusions he might have had previously and he definitely anti-Soviet. However, Nehru convinced under no circumstances would Russia declare war or commit act which would conceivably lead to war. Bajpai said this personal opinion Soviet Union did not want war, but it his conviction Soviets would attack if they felt odds over-whelmingly with them.

6. I asked Bajpai compare Prime Minister's views with those of Bevan. He stated Nehru not unsophisticated as Bevan on subject Soviet Union, but he still influenced considerably by correspondence from group of extremely confused Quakers in London whom he had known years ago, among them elderly lady named Agatha Harrison. Bajpai added Nehru feels US right in arming against Soviet Union, but wrong in carrying armament to extremes, and that some our statements tend be provocative and disturbing to people who inclined be on our side.

7. Bajpai stated when I arrived October Nehru on guard because his sister and others had written overly enthusiastically stating we certain become good friends. However, Bajpai stressed his reserved attitude disappeared quickly and relationships now excellent. He stated Nehru said he trusted me and what I said about my Government's policies completely, et cetera. (I hesitate include this, but Department entitled full report.)

Bajpai suggested I continue see good deal Deshmukh with whom I on close terms and I also make it point see Ayyangar reasonably frequent intervals. He said I could count on these two men, exception some issues on which Nehru felt vigorously.

He emphasized, however, on any major issue our relationships here going depend completely on our personal relations with Nehru and we should not underestimate this. He suggested I not bother Nehru routine matters, but should see him regular intervals two or three weeks or whenever anything of real importance came up.

I asked if I had pushed too hard in trying get faster action from

Indian Government on Point IV program. Bajpai replied he had worried a bit about this possibility, but there no repercussions whatsoever and Cabinet appreciated our attitude and had come trust us more fully and more thoroughly than he had dared hope. I said I concerned over fact Indian Government moving too slowly on tube wells and village worker training. Bajpai said I on safe ground pushing this sort of question vigorously with Prime Minister. He said Prime Minister made great many promises and history may record it was Americans who made it possible for him keep them.

All in all I do not believe we have learned too much from this conversation although it generally most helpful to us here confirming our own impressions.

Leak on this conversation would be disastrous and I urge Department restrict this information to maximum practical extent."

TAYLOR

Truman Library, Truman papers, PSF–Subject file

Memorandum by the Secretary of State and the Director for Mutual Security (Harriman) to the President

SECRET

WASHINGTON, [June 5, 1952].

Subject: Bowles Program of Additional Aid for India

Ambassador Bowles has asked your support for an increase of $125 million in Fiscal Year 1953 aid for India. This would be in addition to the Administration proposal to the Congress of $115 million. (See his telegram to you, No. 4356 from New Delhi, copy of which is attached.)[1] He is expected to arrive in the United States on June 3, but probably will not be in Washington until June 9.

Ambassador Bowles discussed his program for India with the Senate Foreign Relations Committee and with a number of members of Congress in January. He also explained his views fully to representatives of the Administration at that time. With global requirements and United States availabilities in mind, however, the Administration requested only $115 million for India rather than the amount of $200 to $250 million then suggested by Bowles. The Administration program included the whole of the technical assistance and developmental supplies supported by Bowles, but did not include his proposals for supplying on a grant basis substantial quantities of grain, cotton, and other general commodity imports. The Ambassador was informed that his proposal would be kept under review.

With respect to the present legislation, the Conference Report on

---

[1] Not printed; Ambassador Bowles in this telegram, dated May 22, informed the President that he had information which indicated that his friends in Congress believed that the possibility existed that Congress might pass special legislation giving India an additional $125 million in aid for fiscal year 1953, if the Truman Administration gave its firm support to the proposal (791.5 MSP/5–2252).

the Fiscal Year 1953 authorizing legislation cuts by 32½ percent the request made for technical assistance for Title III countries, of which India and Pakistan are the most important. Such a cut would reduce the India program from $115 million requested to about $77 million.

Ambassador Bowles has continued to urge a request for additional money to provide imports of commodities which will relieve a heavy burden on India's foreign exchange, and which can be re-sold in India to provide the government with rupees which can be used in the development program over and above those being provided in the Government of India budget. There are a number of questions on the substance of the Bowles proposal which should be discussed with him in order to be in a position to weigh accurately the need for the program against the legislative problems described below. These include such matters as the precise size and character of the rupee shortage of the Government of India, the rate at which the Indian Government could provide trained active leadership for an expanded program, and the effect of a postponement of the request for additional funds until next year.

While substantial progress has been made in obligating the $54 million appropriated for Fiscal Year 1952, very little of this money has been spent, due to delay in Congressional action on the appropriation and the time required to negotiate a basic Point IV agreement.

It is now clearly out of the question to seek additional money in the present Mutual Security Program legislation, since both Houses have already taken action on the authorizing Bill and agreement has been reached by the conferees.

Ambassador Bowles has suggested the possibility of separate legislation to cover India alone. There are considerable difficulties, however, in doing this. (*a*) The Congress has been firm in its desire to have all aid programs covered in a single package bill. The Administration has taken the lead in volunteering the single package approach. A special additional request now may therefore adversely affect appropriations under the Mutual Security Program if a separate bill were offered at this time. (*b*) The program of "must" legislation to be enacted is a large one, and the Administration has been reluctant to add to the list in view of the very tight schedule faced by the Congress before the conventions. (*c*) We are on particularly vulnerable grounds in asking for additional funds in view of the fact that the $54 million appropriated for India for Fiscal Year 1952 is still largely unspent, with only one month of the Fiscal Year yet to go. (*d*) A congressional rebuff to an administration request for a supplemental program, which is more than likely, would undermine Bowles' remarkably successful efforts in improving Indian-American relations, and would make more difficult a gradual and orderly building up of the program next year should that be desirable.

Despite the strong arguments against a further aid request at this

213-752 O - 83 Vol XI - Pt. 2 - 38

time, we feel that no firm decision should be taken until we have had an opportunity to discuss the situation with Ambassador Bowles. It seems clear that our decision must rest on a determination as to how vital to United States objectives in India immediate action on his additional program is. In the absence of a critical emergency, it is extremely difficult to see how separate legislation could be justified.

If no action is taken at this session, it is possible that a supplementary request might be submitted early in the next session of the Congress if Indian requirements then appear urgent. Again, it seems highly doubtful, however, that we would wish to give special attention to India at a time when preparations will be under way for a rounded and balanced 1954 program, unless a special emergency should exist in India at that time. On the other hand, it is possible that the present Congress may make such severe cuts that the Administration will feel it necessary to seek supplementary legislation for a wide range of programs, including that for India. The final answer on this possibility connot be given at this time.

It is suggested that in view of the above considerations you may wish to make the following points to Ambassador Bowles:

1. We cannot add the proposed $125 million to the present authorizing legislation.
2. The alternative of requesting additional funds for India through separate legislation during this session presents grave difficulties. However, before a firm decision is made on this point, Ambassador Bowles should review his proposals thoroughly with Messrs. Acheson and Harriman.
3. We hope that Ambassador Bowles will assist other Administration representatives to secure the most favorable possible appropriations for India within the limits set by the Fiscal Year 1953 authorizing legislation.
4. We cannot rule out the possibility of a supplemental request next session for India, though many of the objections to separate legislation this session would also apply.
5. Ambassador Bowles' proposals will be fully considered in the development of the Administration's program for Fiscal Year 1954.

W. A. HARRIMAN
DEAN ACHESON

611.91/6–952

Memorandum of Conversation, by the Secretary of State[1]

SECRET [WASHINGTON,] June 9, 1952.

Subject: Report on India by Ambassador Bowles.

Participants: The Secretary
Ambassador Chester Bowles
Mr. Edwin Martin—S/MSA
Mr. Donald Kennedy—SOA

I expressed solicitude about the Ambassador's difficulty with his ear

[1] This memorandum of conversation was drafted by Kennedy of SOA on June 11.

and he responded that the doctor had reported the situation was partly good and partly bad—good in the sense that no operation was involved, at least now, and bad because the doctor was not sure anything could be done about the trouble. The Ambassador then said he was very pleased to have this opportunity to talk to me, to which I responded that he had done a colossal job for us and that I was very proud of his accomplishments.

In reporting on the improvement of relations between India and the US, Ambassador Bowles said that various factors were responsible. One important reason was that the Communist Party in India had now emerged as the opposition party. At his suggestion Nehru had had investigated the means by which Communists were obtaining funds to carry on their propaganda. It had been established that these funds were derived from the sale of pro-communist books sent in gratis from Moscow. Moscow Radio has recently attacked Nehru and this had had an effect upon the Prime Minister. As to Korea, Ambassador Bowles believed that the Indians now understood the facts and supported our position on prisoners of war 100 percent, although they were critical of the way we had handled the problem. He also thought that Nehru no longer held any illusions as to China. He had told Nehru that the Russians wished to keep China at war in Korea because that kept them dependent upon Russia for supplies and matériel. In this way they were kept dependent upon Russia and therefore in the Russian camp.

Ambassador Bowles believed that the officials of the GOI now understood better the Indochinese question.[2] On recent occasions they had not pressed their previously expressed views so forcefully but had rather seemed to "skim lightly" over the question. I commented that the French would like to get out but could not find a way, and it was very fortunate for us that this was the case.

Ambassador Bowles said that the information program was now in good shape—a few months ago it was in bad shape—and in the near future it should be a really good program. The Ambassador felt it was a "flop" to try to sell the "American way" as perfection. We should humble ourselves and admit our errors. He did not want more money for the information program but would desire a different allocation. Students in universities were 25 percent communist, and he had in mind increasing his cultural affairs staff in order that officers could get to the various universities about three times a year. He hoped that these visits would be followed up by letters, and in certain cases by donations of books.

The big question was, "Will they succeed or will they not?". A typical Indian will say that private enterprise in democracy worked in the West where time was available but will it work here in India

[2] For documentation regarding Indochina, see volume XIII.

where results must be achieved under forced draft. This Indian will say that we must prove that our system will give better living quickly. The Indians, the Ambassador said, need confidence in themselves. He had told his Indian friends that they had accomplished much more in the last three years than the Russians had in any three year period. For example, the Bhakra Dam was much larger than anything in Russia, and it was 50 percent completed. I asked if there were enough trained people in India to take on a greatly expanded program, to which the Ambassador replied that that was part of our job. We would have to have trained by June of next year 14,000 people, by December of this year 5,000. The Ford Foundation was cooperating marvelously in its training venture. It would also be necessary to do some dramatic things. For example, the Rockefeller people had estimated that by 1956 malaria could be eradicated at a cost of around $17 million. There were 80 million cases in India and about 1 million deaths every year. Once the program was carried this far the states would be forced to carry it on because of the demand of their people.

Ambassador Bowles said that we could accomplish our economic objectives in India and still see it go communist—something more was needed than merely economic progress, and this something was of the spirit. There was now complete confusion in India as to what kind of economy they should have as a result of their economic progress. The Ambassador referred to a letter he had written Mr. Thorp on the subject of incentives;[3] he had suggested that possibly a World Bank mission might be sent to India to develop recommendations as to the long-range pattern of the economy.

I asked what India was doing about the population problem. Ambassador Bowles said he believed that increased productivity would provide one part of the answer. As a result of this there would be a decreased need for large families which in the past had been looked upon as an insurance against old age. At some stage too many children became a burden. The Ambassador recognized that diverse incentives would be necessary in order that increased production of food could be maintained. Increased availability of consumer goods was not the only answer. Additional schools and hospitals would also help. Otherwise increased efficiency in agriculture would lead to more leisure rather than to more food in total.

I said it looked like a massacre to go to Congress for more money now. We had a problem on how to present a request of the sort that the Ambassador recommended. Would we do it under Point IV or as something special? This question had been fudged in connection with present legislation, and the Ambassador could help us sort it out. I believed we could do much more for the Ambassador's program next January. There would be new faces in Congress and in the Administra-

[3] This letter has not been found in the Department of State files.

tion, and we should have ready for them what we thought was sound and necessary.

Ambassador Bowles said he liked to think of a mythical Indian. This Indian would look at the world struggle and consider where he would likely find himself in the future. Once this Indian came to the conclusion that democracy might not succeed, he would start to hedge his position. When this happened we would be on the way to losing India.

Ambassador Bowles asked if it would be possible to pick up any unused funds from other programs. Mr. Martin said that there was a ten percent transfer provision which gave some flexibility, but with the substantial reduction in the Administration's program imposed by Congress, he thought there would be quite a wrangle over the allocations which the Administration would have to make. Ambassador Bowles agreed that everybody would fight for his own program and that in the final analysis the top officials of the Department would have to judge the relative priority. Mr. Kennedy asked if it would be possible to speed up the spending of the money which would be available for the 1953 program in anticipation of an approach to Congress in January. I added that the slowness in getting the 1952 program underway had caused us some difficulty in justifying the larger amounts for fiscal 1953. Ambassador Bowles said there would be difficulties in the way of spending the money provided as quickly as that. Tube wells, for example, which were an important part of the Indian program, might take as much as two years to complete. Ambassador Bowles also said that India was afraid of deficit financing and in some ways he thought their fiscal policy was too sound. This approach, together with the present high tax level in India, made it very difficult for the GOI to provide rupees for the community development program. This program required a ratio of 8 to 1 between rupees and dollars. As an illustration of the GOI's attitude on fiscal policy, the Ambassador said he had been surprised to learn that the government was already setting aside out of their development fund rupees in anticipation of repayments on the wheat loan, although these repayments were not due to start for another four years.

I said that I would like to talk to the Ambassador again, later in the week, on this matter, and also I particularly wished to discuss with him the colonial question on which he had written me.

As he was leaving Ambassador Bowles suggested the establishment of a sort of NATO board to develop an overall plan of propaganda. He did not think that we could carry the whole load of information and propaganda in India; representatives of other countries should do their part. When people like Norwegians came to India they could also play an important role in "selling the Western line." As a matter

of fact, nationals of other countries might have more success than Americans. This effort of course would require careful planning and coordination. I said this idea seemed to have a lot of merit and should be carefully examined.

---

123 Bowles, Chester

Memorandum of Conversation, by the Secretary of State [1]

CONFIDENTIAL [WASHINGTON,] June 12, 1952.

I remarked to the President that in a cable Bowles had suggested that, if the President made any speech on the 4th of July, he might include in it the support of our Government and people in the struggle for independence by dependent peoples. I said that, if any such suggestion were made to the President—which I doubted, since I had spoken to Ambassador Bowles about the matter—I hoped that the President would reject it, since this would cause us grave difficulty in connection with the Tunisian matter.[2] The President said that he would not in any circumstances get involved in this matter.

Ambassador Bowles was with the President when I arrived,[3] and the President asked me to be present. Ambassador Bowles was pressing the President to request additional funds for India at this session. The President was obviously reluctant. Ambassador Bowles thought that there was a chance that the funds might be obtained (with which I did not agree and so stated), or that even if they were not obtained, the record should be clear that the Administration had tried and failed.

The President said that the matter would be referred to the Budget Bureau.[4] Ambassador Bowles' views would be considered there. I said that I thought the Administration's position would be made clear, first, by the fact that the funds which we had requested had been cut and, second, by the President's stressing Point 4 and India in his State of the Union and Budget Messages in January 1953.

---

[1] Secretary of State Acheson did not draft this memorandum of conversation until the following day, June 13.

[2] For documentation regarding the issue of Tunisia, see pp. 665 ff.

[3] No record has been found in the Department of State files of a conversation on June 12 between Ambassador Bowles and the President prior to the Secretary's arrival.

[4] On June 16, President Truman sent a memorandum to the Director of the Bureau of the Budget, Frederick J. Lawton, requesting that Lawton examine enclosed copies of New Delhi telegram 4356 of May 22, not printed, and the memorandum of June 5 from Director for Mutual Security Harriman and Secretary of State Acheson (p. 1646), and make whatever recommendations he, Lawton, thought were necessary (Truman Library, Truman papers, PSF–Subject file).

Truman Library, Truman papers, PSF–Subject file

The President to the Ambassador in India (Bowles)

SECRET [WASHINGTON,] July 1, 1952.

DEAR CHESTER: I am enclosing you [*a*] copy of a memorandum from the Bureau of the Budget regarding the suggestion which you made on India.

I have directed a reassessment of the Indian Program and the whole National Security Program for future use. The attitude of the Congress in these matters has been anything but cooperative. They have had a wave of hysteria which has caused them to almost strip foreign aid and also the Defense Program.

I don't know how we will come out of it until I have had a chance to analyze just exactly what they have done. My sympathies however are with this proposal and we will keep working at it as long as I am here.

Sincerely yours, HARRY S. TRUMAN

[Enclosure]

Memorandum by the Director of the Bureau of the Budget (Lawton) to the President

SECRET WASHINGTON, June 30, 1952.

Subject: Bowles Program of Additional Aid for India

By memorandum of June 18, 1952, you requested suggestions on the memorandum submitted by Messrs. Acheson and Harriman concerning Ambassador Bowles' request for additional funds for economic assistance to India during fiscal year 1953. The memorandum from Messrs. Acheson and Harriman urged that the proposed increase of $125 million for the Indian program not be submitted during the present session of Congress and argued against a supplemental request during the next session although without ruling out the possibility.[1]

I am in general agreement with the position taken in the memorandum. Only a small part of the money made available in fiscal year 1952 has been expended and there are indications that similar delays may be encountered in fiscal year 1953. In addition, further study needs to be made of alternate methods of financing the local costs of the program.

For these reasons and because of the basic issues concerning aid to underdeveloped areas raised by the proposed supplemental program

[1] See footnote 4, *supra*. Lawton's reference to the date of June 18 suggests that he received the President's memorandum at that time.

for India, it may be desirable to reassess the India program at some future date in the context of the review of the national security programs being undertaken at your direction.

F. J. LAWTON

791.5 MSP/7–552 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, July 5, 1952—3 p. m.

57. Bruce from Bowles. Prev desps and Embtels this Emb plus my talks Wash emphasized urgent need Ind econ for bal payments support. Studies completed by our econ sec during my absence indicate sitn even more dangerous than prev stated.

Ind lost approx 150 mill overseas assets during second half calendar year 51. Has lost addit $200 mill first five months 52. Most these losses attributable to net deficits with dol area even after US grain loan. Prospects are that even with most stringent import controls India will lose another $75–100 mill bal this calendar year.

This means India's external asset in form sterling bals virtually exhausted. Bal remaining this calendar year will be insufficient permit drawings even at rates permitted under Indo UK Colombo Plan agrmt unless India dips into currency reserve.

We have consistently advised Dept of India's crucial need for rupee assistance if they to succeed in their efforts to demonstrate to world and particularly to Asia that democracy can provide dynamic econ as well as polit answer to Commie. Altho everyone with whom I talked or corresponded professed full agrmt with our analysis and recommendations the action which required not forthcoming.

This sitn plus addit drastic cuts in already meager fon aid act reportedly made in appropriation act underscores importance action which I proposed to Pres, i.e., special msg to Cong stressing importance India's efforts build sound economic democratic nation with expanding living standards and urging Cong make available $125 million in credits—$25 mill to make up a part slashes fon aid recommended by admin—$100 mill with which Ind can purchase cotton, industrial raw materials or grain and which can then be turned into rupees to assist in essential econ development this strategically placed nation.

Even though Cong fails act such message wld be enormously reassuring Ind people and their govt.

Also hope Averell Harriman and his associates will do everything possible build up our very meager allotment in dols. Am sure you wld

be reassured by earnest efforts Indian Govt making and enthus response villagers to community dev programs on which we already embarked.

Will be absolutely tragic if our present momentum here lost. Does not seem possible we cannot find money to meet modest requirements this key area out of $80 bill natl budget. I know we can count your help. I need not restate to you urgency polit reasons for insuring we do not fail India. Appreciate if you will pass copy msg Harriman.

Know you understand my persistence this stems entirely from my conviction sitn urgent and obligation to report it as I see it and from fact that so few in admin or Cong seen this first hand. Whatever happens you can count on us to do our best. We will work all the harder to do job that must be done.

BOWLES

791.5 MSP/7–552 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, July 5, 1952—2 p. m.

59. For President Truman from Bowles (pass to Secretary Bruce). Hesitate bother you again after our long discussion of India's needs. However, have just received shocking news Congress chopped our meager allotment Foreign Aid Act by nearly sixty percent. Instead $250,000,000 which I advised Administration this past winter urgently needed meet critical needs this key country, Mutual Security Agency budget and State reduced figure $115,000,000. This figure sliced by 32 percent to $77,000,000 in Foreign Aid Bill. Appropriations Bill now reduces India total to $34,000,000 which only 15 percent our original conservative request.

As you would expect, this news has been immensely reassuring Communist Party here which made American aid program its chief point of attack against Nehru government.

Cuts which Congress applied India and Southeast Asia more vicious than those any other geographic area. Men responsible for this, very individuals who time and time again have attacked you and your administration for its alleged failure "do enough for China and to save Chiang Kai-shek". This reckless action, plus Mutual Security budget and State decision we undertake half of job, leave other half hanging in mid air, adds up to situation which no less than tragic.

Our program for stopping Communism at front door in Europe wholly sound and courageous, but must not leave back door unlatched. 600,000,000 people live Southeast Asia. If India goes under, this entire area will become untenable and repercussions Europe will be explosive.

Is not enough stop Communists Europe, it must be stopped entire Europe, Asia continent. Unless we can convince Congress and people that we must think in such terms, we may ultimately face disaster.

Believe next few years will demonstrate that far from having overstated dangers and opportunities, this area our proposals consistently modest side. For instance, survey by our economic staff during my absence indicates Indian Government faces balance payments situation even more acute than we reported Department earlier in year. Sterling balances will be exhausted by end 1952, except for necessary reserves held to support Indian currency. Our Technical Cooperation Administration field people report response villagers all over India to our community development work most enthusiastic. Unless more assistance can be forthcoming, our plans for next year or two must be drastically cut at time when ball starting roll our way.

For all these reasons, I earnestly hope you will send Congress special message requesting $125,000,000 grant to India. $25,000,000 this should be added to sum voted by Congress to enable us to do bare minimum job. $100,000,000 should be made available Indian Government purchase cotton, industrial raw materials and wheat, which can later be sold for rupees in Indian market. These rupees will enable Indian Government pay their share community development work which we had hoped could cover 30,000,000 village people within next year and also continue press forward with irrigation work.

Suggest this message should sharply attack opposition for their insincerity dealing with Asia, call their bluff on charges they levelled at associates constantly on China and thus put them on serious spot during election campaign. Any Republican who opposed your recommendations would at least have to stop talking about China.

If you do not plan call Congress back, or if you do not want reveal your intentions by special meeting until after conventions, earnestly hope you will issue special statement now hitting hard at action Congress on India, and saying you intend make them face this situation.

I believe that situation here requires this action. In addition, such move your part would be heartily welcomed here and provide great shot in arm to Indian Government, even though Congressional action not forthcoming.

Hope you will also request Averell Harriman and Mutual Security Agency to stretch their powers and funds to limit to increase dollar grants to India under present aid bill by picking up unused funds assigned less important areas or projects.

My apologies again for bothering you with this, but if you could see firsthand both dangers and opportunities in this vast Democratic country of 300,000,000 million people, you would understand my persistence.

Whatever happens, you can count on me to do my best. We will work all the harder to meet our responsibilities here.[1]

BOWLES

[1] On July 7, Acting Secretary of State David K. E. Bruce gave President Truman a copy of this telegram. The President observed, according to Bruce, that he, too, "was very concerned at the big slash made in funds for India but that there was no way to reopen the question with Congress at this time." (123 Bowles, Chester)

President Truman responded to Bowles' telegram on July 8 in a letter to the Ambassador in which the President said, in part, that he had done the best he could to get the necessary aid funds from Congress, but that, in view of the circumstances, "we will have to meet it [the situation] as best we can and we will have to meet it without funds." (Truman Library, Truman papers, PSF–Subject file)

791.5 MSP/7–552 : Telegram

The Secretary of State to the Embassy in India[1]

SECRET WASHINGTON, July 24, 1952—6:25 p. m.

225. For Amb. Re urtels 55[2] and 57 of July 5. Urtel to President was discussed with him by Bruce and Pres asked me send you fol msg:

"I am as deeply concerned by Congressional action in cutting program funds for South Asia as you are and regard refusal accept my recommendations short-sighted and basically contrary US interests. I believe situation must be remedied by Congress but I see no way reopening question until next regular session. Cuts were made despite our most strenuous efforts.

"I have issued statement along lines you have suggested with focus on situation which Cong has created as regards India. Text has been sent you separately.[3] Understand Director of MS and Dept have examined possibility bringing up amount for India to that of last year within present authorizations and existing appropriations, but this very difficult. Harriman sent tel re this.[4]

"I particularly regret that in carrying out ur magnificent job in India you must cope with this discouraging situation. You know you have my support and my confidence that you will do ur best whatever the circumstances."

Bruce is now on leave but I am sure he is very conscious as am I of the potentially precarious situation resulting from the deep cuts made by Congress. We will continue efforts to obtain additional funds. I know you will do ur best in India and appreciate very deeply ur willingness carry on with enthusiasm under these difficult circumstances.

ACHESON

[1] The following handwritten notation appears on the record copy of this telegram: "Approved by the President & the Secretary. F[rancis] E. M[eloy] S/S".

[2] The reference in fact is to New Delhi telegram 59, July 5, 1952, *supra*.

[3] Pertinent portions of President Truman's remarks on July 16 dealing with the situation Congress had created regarding aid to India were transmitted to New Delhi in Department telegram 141, July 16, not printed (791.5 MSP/7–752).

[4] The telegram again under reference was Department telegram 141 to New Delhi, July 16 (791.5 MSP/7–752).

791.5 MSP/8–152

Memorandum of Conversation, by William L. S. Williams of the Office of South Asian Affairs[1]

SECRET [WASHINGTON,] August 1, 1952.

Subject: India's Request for Release of Tanks and Jet Aircraft under Provisions of Section 408(*e*) of Public Law 329 as Amended.

Participants: Mr. Sen, Ambassador of India
Brigadier Banerji, Military Attaché, Embassy of India
Mr. Byroade, NEA
Mr. Kennedy, SOA
Mr. Williams, SOA

Mr. Sen said that the Embassy had requested, by a letter dated July 1,[2] the release of 200 Sherman M4A4 tanks together with spares under the terms of US-Indian agreement regarding reimbursable military assistance.[3] He said that India's present fleet of tanks were obtained at the end of the war and through Lend-Lease settlements, and that India has obtained few spare parts since the end of the war. The tanks were needed for replacement, not expansion.

Mr. Byroade said that it appeared that Sherman M4A1 tanks were available, but that it would take some time, perhaps from nine months to a year, to recondition them. The cost of the tanks and spares was estimated to be around $19,000,000. Mr. Byroade said that he could not give the Ambassador a formal answer because he believed certain further operations were involved.

Mr. Kennedy referred to India's request for a maximum of 200 jet aircraft and said that the two requests might be considered together and could raise questions about India's capacity to pay. Mr. Byroade added that preliminary studies put the cost of jet aircraft and the required spares and special tools and equipment at $150,000,000. In commenting on this Brigadier Banerji said that he understood the jets were not required until 1954, and that India had money allocated to the purchase of tanks. On this point Mr. Kennedy replied that it would be necessary, if jet aircraft were available, to make substantial down payments when the contract was agreed upon.

Mr. Byroade said that he did not see any great difficulty over the request for tanks, but that the request for the release of jet aircraft placed the US Government in a difficult position. If the request were

---

[1] This memorandum was drafted on Aug. 4.

[2] Not printed; the Indian Note MG/434/ARM/52 of July 1 is in Department of State file 791.5 MSP/7–152.

[3] Under Secretary of State James E. Webb on Mar. 7, 1951 and the Indian Ambassador to the United States, Vijaya L. Pandit, on Mar. 16, 1951, signed a mutual defense assistance agreement, which entered into force on Mar. 16, 1951. For text, see TIAS No. 872, printed in 2 UST 872.

approved, it would mean that the responsible United States official would be saying in effect that India has money to finance the purchase of costly military equipment, but at the same time India does not have the ability to finance essential economic development, and requires external grant aid for this latter purpose.

Mr. Sen replied that India has demands both for economic development and for defense. He said that if tomorrow there were no trouble with Pakistan, India would still need a good defense force, and that defense does not run counter to economic development. India needs strong defenses to guard its borders.

The Ambassador said that India's military needs were not for expansion but for replacement. The Government of India's budget for defense is about the same this year as it has been for the past few years. He said that India's equipment was becoming obsolete very rapidly and the time had come to change over to newer and more modern equipment.

Mr. Byroade said that he realized the tendency all over the world for countries to seek to keep up with the trend, but that from a very realistic standpoint, the maintenance of jet aircraft was largely a foreign exchange problem. He did not take issue with India's desire for aircraft, but the problem should be viewed also in the light of India's other requirements and available resources.

Mr. Sen replied that he believed if India became weak it would be a matter of deep concern to the whole world, that India had to be able to defend itself. The Government of India, however, as a matter of policy wishes to keep military expenditures down to the minimum consistent with efficiency. He then said he wished to put aside the request for jet aircraft for the present and consider only the tanks.

Mr. Byroade said that the Department would do everything it could with regard to the tank request, and it was agreed that a more definite answer to the request might be made within a week's time.

791.5 MSP/8–752

Memorandum of Conversation, by William L. S. Williams of the Office of South Asian Affairs

SECRET [WASHINGTON,] August 7, 1952.

Subject: India's Request for the release of Sherman Tanks and jet aircraft under Section 408(*e*) of Public Law 329.

Participants: Brigadier Banerji, Military Attaché, Embassy of India
Mr. Kennedy, SOA
Mr. Ryss, MN
Mr. Williams, SOA

Mr. Kennedy said that he could now inform Brigadier Banerji that the Department of State had approved the release of the tanks which

India has requested, and that the Embassy should now deal directly with the Pentagon to ascertain firm availability information, types, prices and delivery dates.

Brigadier Banerji expressed satisfaction and asked for the name of the individual in the Defense Department with whom he should deal.

Mr. Williams said that the memorandum from the Department which conveyed the Department's approval of the request was addressed to General Olmsted,[1] and that Mr. Cain had made the preliminary studies of the availability of tanks to fill India's requirements.

Mr. Kennedy said that he had the clear understanding that the Indian Ambassador, at his meeting with Mr. Byroade on Friday, August 1, had said that the Indian request for jet aircraft would not be pressed now. Brigadier Banerji confirmed Mr. Kennedy's understanding, and added that he had reported to the Defense Minister the points raised during the meeting on August 1 and that so far there had been no instructions which indicated anything contrary to Mr. Kennedy's understanding. He added that he understood from the Indian Air Attaché that the jets which had been requested were not available in any case, but that the transport aircraft which India had also requested had been agreed to.

Mr. Kennedy said that he had not been aware that approval had been given to the request for transports and that he would look into it.

[1] Not printed; the memorandum under reference from Edwin M. Martin, Special Assistant to the Secretary of State for Mutual Security Affairs, to Maj. Gen. George Olmsted of the Office of Military Assistance in the Department of Defense, Aug. 6, is in Department of State file 791.5 MSP/7–152.

791.5/8–1352 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET

NEW DELHI, August 13, 1952—5 p. m.

639. Acting Fon Secy R. K. Nehru summoned Drumright yesterday and took up GOI's desire buy Amer tanks (Deptel 337, Aug 2).[1] Nehru explained Ind's present tanks obtained after last war now worn out and GOI in urgent need replacements. GOI had accordingly instructed Amb Sen seek procurement 200 M4A4 tanks with maintenance spares. Sen had later been informed US Govt agreeable release 200 M4A1 tanks and spares at cost 19 million dollars. Nehru said Ind Amb has now been instructed negot direct with Defense Dept re price and delivery date, adding GOI feels price quoted for M4A1 tank excessive. He contended this tank obsolete for US purposes and GOI financial resources too s'ender permit tank outlay at price quoted. He also

[1] Not printed; the Department informed the Embassy in New Delhi in this telegram of what had occurred when Assistant Secretary of State Byroade had met with Indian Ambassador Sen and Brigadier Panerji on Aug. 1; see p. 1658 (601.9111/8–252).

stated GOI engaged in great internal economic construction program, in which US assisting, and GOI anxious utilize maximum number dollars that program. However, he contd, Ind had to look to preservation her security and needed replacement tanks as part that program. He concluded by saying GOI wld appreciate receiving tanks at lowest price quoted any other purchaser and wld be grateful for Emb interposition to that end.

Drumright confined remarks largely to intimation Emb had heard of Sen's original approach and to statement he wld report to me.

I am well aware of fact GOI in poor position to divert scarce foreign exchange to mil requirements, especially when GOI needs her meager resources for econ construction program on which she now embarked with our help. I wld be particularly reluctant to see a disproportionate part of GOI resources spent for unproductive mil purchases such as purchase of jet aircraft (Nehru made no ref to jet aircraft and I presume their purchase not being actively pursued.)

Nevertheless it only fair to recognize GOI has growing security problem arising from Commie expansion in Asia and tank replacement is one important way through which GOI defenses can be buttressed. Moreover, I believe this useful opportunity encourage Ind use US equipment rather than have PriMin Nehru cast about elsewhere incl perhaps Soviet Union for needed mil equipment. I wld also like point out GOI has been notably sparing in requesting favors of US. Other things being equal, I feel a gesture on our part by way of knocked down tank prices wld be gratefully recd, wld probably contribute to improved relations, and wld at same time help strengthen GOI's capacity to fight aggression, a factor which may eventually be of great importance to us here in South Asia. For these various considerations, I wld appreciate Dept doing what it appropriately can to obtain tanks for GOI at reduced prices.[2]

BOWLES

[2] The Department responded on Aug. 15 in telegram 461 to New Delhi, not printed, that the $19 million cost figure quoted to the Indian Government for M4A1 tanks covered the expense of reconditioning the vehicles, providing each tank with a main battery gun, plus 5 years' supply of spare parts, and that this was the lowest price which could be quoted (791.5/8–1352).

791.5622/8–1452

Memorandum by the Director of the Office of Military Assistance in the Department of Defense (Olmsted) to the Secretary of State's Special Assistant for Mutual Security Affairs (Martin)

CONFIDENTIAL WASHINGTON, August 14, 1952.

Subject: Reimbursable Military Assistance Under Section 408(*e*) of the MDAA, as Amended—Case No. OMA India 7

1. Reference is made to your memorandum, subject as above, dated

13 May 1952, which forwarded note from the Indian Embassy requesting procurement of fighter aircraft for the Indian Government.

2. In accordance with oral requests made by your office, the estimated pricing and availability study made by the Department of the Air Force on the 54 C–119 aircraft requested under this case is forwarded for information and study.

a. Estimated Availability

(1) *1954*

Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	2	0	3	1	0	0

(2) *1955–1956*

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1	6	5	5	2/2	6	5	4	3

Oct	Nov	Dec	Jan
3	2	2	1

Note: The delivery of the first group of 26 aircraft requested ends with the first two in May 1955. The second group of 28 aircraft will be delivered from May 1955 through January 1956.

b. Estimated Cost

(1) For the 26 C–119G aircraft estimated to be delivered in 1954 and 1955, the estimated prices are based on a 1 September 1952 go-ahead.

Per Unit (Installation)	$571,501
Total for 26 Aircraft	14,859,026
Per Unit, Spares	329,353
Total Spares	8,533,178
Unit Program Cost	900,854
Total Program Cost (26 Aircraft)	23,422,204

(2) For the 28 C–119G aircraft estimated to be delivered in 1955 and 1956, the estimated prices are based on a 1 February 1953 go-ahead.

Per Unit (Installation)	$560,075
Total for 28 Aircraft	15,682,100
Per Unit, Spares	326,405
Total Spares	9,139,340
Unit Program Cost	886,480
Total Program Cost	24,821,440

(3) The grand total program estimated cost for 54 C–119G aircraft and support is $48,243,644.

(4) An additional month should be added to the delivery schedule indicated above for each month's delay up to six months in the go-ahead dates.

3. This information covers partial pricing and availability on the aircraft requested by the Indian Government. In view of the fact that there are no F–84E or F–80B aircraft available for release to the Indian Government, the Department of the Air Force is considering the substitution of the F–84F, F–84G or F–86 aircraft. Information on F–9F aircraft is being held in abeyance pending a resolution of the entire fighter portion of the Indian request.

4. It is expected that further information covering the remaining aircraft on this request will be forthcoming approximately 31 August 1952.

[For the Director of the Office of Military Assistance:]
H. H. FISCHER

611.91/8–1952 : Telegram

The Ambassador in India (Bowles) to the Department of State

CONFIDENTIAL NEW DELHI, August 19, 1952—3 p.m.

703. Called on Nehru Sun 17th for what I assumed wld be brief visit. Actually turned out be leisurely relaxed extremely friendly discussion lasting more than hour. I brought up subject TCA and particularly what I believe three weaknesses in program.

1. Not enough people GOI accept community development program as mass effort designed eventually cover all India. Because costs too high, coverage plan wholly inadequate and we in danger simply setting up model operations which will have only minimum effect on mass poverty and low production.

2. Importance malaria program not fully understood by planning commission and has been treated somewhat as stepchild. This program shld have priority immediately after agric effort. With good organization, $7,500,000 yearly and comparable amount rupees new cases malaria can be eliminated by next gen election 57.

3. Community development effort shld have at head man with rank of minister who can deal more effectively with heads of depts and PriMin himself. Also concerned with arbitrary approach many civil servants who believe their job is do things *for* people or *to* people but not sufficiently *with* people.

Detailed discussion these points foll and Nehru expressed himself emphatically in agreement. He showed imaginative grasp of program as whole and I felt considerable progress was made. Had 75 project directors to lunch our house Saturday with members planning comm and top TCA personnel. Our relations with them have become extremely close which gives us powerful influence. Nehru who had seen project directors at tea spoke warmly in stating they told of closer relationships development with Amer Point IV personnel.

Then told Nehru I wld like discuss USIS program in India. Showed him last four copies *Reporter* which he looked over with much interest. He much impressed with fact *Reporter* had circulation of 300,000 with requests in writing for additional 350,000 subscriptions. I explained work of our libraries, motion picture units, book publishing, etc. He seemed impressed and by no means displeased with scope our work and with gen good acceptance we receive from Indian public. Told him in future wanted discuss material we putting out and to

contrast it with that of Sov Union and Comm Chi. I again stated we reluctant turn India into propaganda battleground but we must be free meet Comm attacks vigorously.

As I hoped, Nehru himself then brought up political questions. Our discussion gen but covered some detail Korea, Ger and disarmament. Nothing particularly new. I gave him point by point outline our position on Ger and apparent impossibility reaching any agreement with Soviet Union.

Also gave him detailed outline our latest disarmament proposals with which he unfamiliar. He expressed opinion UNGA meeting wld be most important and he earnestly hoped we cld avoid line-up Arab-Asian world versus West on colonial questions such as Tunisia.

This led to Indo-China and we went over same ground in which I suggested he worried too much about 19th century imperialism which fast dying and not enough about 20th century Communist imperialism which much greater threat. He told me he extremely glad I going Southeast Asia and he wld be most interested my reactions on return.

I asked PriMin when Ayyangar leaving for Geneva and he said about week. I asked if he optimistic about results and he smiled and said he always optimist which meant nothing.

However, whole talk was warm, friendly and open despite fact PriMin has bad cold and sore throat. He about to leave for Kashmir for ten day rest.

Chief of Mission here extremely critical lack of contacts with Nehru or competent GOI spokesman since Bajpai's departure. With exception Nep Amb Bijaya who met Nehru discuss recent cabinet crisis, I informed I only Chief of Mission who has seen Nehru past eight weeks.

BOWLES

Editorial Note

United States Chargé *ad interim* Loyd V. Steere on August 27, 1952, and R. K. Nehru, Foreign Secretary to the Government of India, on August 25–26, 1952, signed and thereby brought into force on August 27, 1952, another agreement providing for duty-free entry into India and free inland transportation therein of relief supplies and packages. This agreement was retroactive to July 30, 1952 and was a renewal of the agreement signed by the United States and India pertaining to the same items which had entered into force on July 9, 1951 (TIAS No. 2291, 2 UST (pt. 2) 1483). For the text of the agreement of August 27, 1952, see TIAS No. 2919, printed in 5 UST (pt. 2) 301.

791.5 MSP/8–2952 : Telegram

The Acting Secretary of State to the Embassy in India[1]

SECRET WASHINGTON, August 29, 1952—1 : 01 p. m.

622. Further to Deptels 337 Aug 2 and 18 July 2.[2] In response his inquiry Indian Emb Air Attaché informed by Dept Aug 27 re 1954 and 1955–56 availabilities and costs Indian request Apr 18 for 54 C–119 Fairchild mil transport aircraft (fully equipped). Grand total $48,243,644.

Wing Commander Varma stated just recd new instr reducing nr such aircraft required 1954–55 from 26 to 14 and 1955–56 from 28 to 12; another total 26 wld be requested for 1956–57 and 1957–58. Net result change is reduction total nr by 2 planes spread over longer period. Further Dept action awaits formal note with details.[3]

Problem posed by such requests mil procurement explained along lines Byroade statement to Sen para 2 Deptel 337. Varma replied Indian air force possessed 2 squadrons of transport aircraft strength 14 planes plus 2 reserve, total 16 each. These formed Dec 1950 and still not up to full strength with only about 9 planes each. GOI endeavoring cannibalize old C–47s and might be able add several more but useful life not more than 3 or 4 more years. Present Indian request therefore entirely for gradual replacement existing mil transport strength. Orders must be placed now since training and change over take time. CAB had now decided spread out procurement presumably in order ease dollar drain; thus one squadron might be changed over first and other possibly disbanded, to be reformed later.

Revised request when recd will be forwarded to Defense and sched dollar payments set up.

Re jets Varma confirmed GOI not pressing but explained 200 requested was also not new addition as they viewed it, but in accordance with long range Indian program although only 37 Vampires now on hand and some of these possibly gone. Indian air force wld have liked to stick to Vampires some of which cld have been built on Indian mfrd frames with UK engines but UK cld not promise deliveries. Too expensive maintain various types therefore decision reequip with type they cld stick to for years to come.

BRUCE

---

[1] This telegram was drafted by William Witman II, Officer in Charge, India–Nepal–Ceylon Affairs, and was signed by Kennedy of SOA.

[2] Neither printed; Department telegram 18 to New Delhi is in Department of State file 791.5 MSP/7–152. For information on telegram 337, see footnote 1 to telegram 639, Aug. 13, p. 1660.

[3] Wing Commander Varma's note to the Department which embodied these changes was dated Sept. 2. The text is in Department of State file 791.5 MSP/9–252.

791.00/10–252 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, October 2, 1952—4 p. m.

1401. In my conversation with Nehru yesterday morning discussed at some length his impressions Commie movement India. He stated categorically that Commies less strong today than six months ago. He said his trip Hyderabad most encouraging; in Telengana area Commie strength deteriorated sharply. Stated were many instances of attacks on Commie leaders by villagers. Said it gratifying find Commies now complaining about lack police protection in area which had run with iron hand only relatively short time ago.

Nehru asked if I had seen report his speech Hyderabad in which had praised Amer assistance and particularly Amer technicians. Spoke particularly of Walker and Fox, both of which he met and remembered by name and for whom had warmest praise.

In Nehru's Hyderabad speech, commenting on Amer aid, used fol language "some people say no nation such as India shld be dependent upon foreign aid and in general this probably correct. However, aid from Amer has been given us from very best of motives and without strings of any kind. For this reason we welcome this assistance".

Newspaper report went on add that PriMin spoke in "most glowing terms of work of Point Four technicians in Hyderabad".

Nehru leaving for Madras state in few days and planning cover all difficult sections of India before Parl reconvenes.

Returned from Hyderabad trip refreshed and invigorated and looking ten years younger than thirty days ago.

We inclined feel Nehru's estimate of Commie situation tends be optimistic. Is true Commies have slipped somewhat in Hyderabad, Madras and Travancore–Cockin, but is no question my mind that have been steadily gaining ground in universities. Asked Nehru if agreed with this and he stated universities most vulnerable institutions in India and this largely due fact universities were not soundly conceived and too much instruction along antiquated Brit lines.

BOWLES

891.16/10–652 : Telegram

The Ambassador in India (Bowles) to the Department of State

SECRET NEW DELHI, October 6, 1952—7 p. m.

1458. In long discussion with PriMin Wednesday, considerable time devoted question land reform in India. On several occasions Nehru has invited my views on GOI polit and econ problems. In answer his questions I have suggested that if reforms do not take place in villages and if Cong Party stays where it is at present seems likely sizable

vacuum will gradually open to left of Cong Party. Socialists even fol their merger with KMT unlikely develop hardheaded polit approach and scphistication required fill this vacuum and as result Commies will have opportunity widely expand their influence.

On other hand, if Nehru moves to institute land reforms and rural debt reforms he can fill this vacuum and keep Commies from further headway. Such development wld admittedly result in split-off landlord grp and others from Congress Party and creation of sizable Conservative right-wing bloc; but if Commies to be stopped no other alternatives. This wld leave Nehru slightly left of center.

I also suggested on previous occasion that while undertaking village and rural reforms he shld consider encouraging private investment to speed development Ind industry. Specifically, I suggested he study experience Puerto Rico in offering tax incentives to both fon and local risk capital. Suggested moratorium on corporation tax for new investment for five to ten years and similar moratorium on real estate taxes for newly expanded industry.

Also suggested while increasing incentives thru lower taxes to creative expanding industry taxes might be increased on stagnant capital in order discourage idle funds. Nehru has agreed at least in theory this analysis altho remaining extremely fuzzy his discussion developing industry. At Wednesday mtg I told Nehru anxious have him discuss land reform problem with Ladejinsky soon as Ladejinsky's studies completed. Was concerned when Nehru responded by saying wld be delighted see Ladejinsky but thought Ladejinsky wld find that India was making major progress on land reform and that problem was on its way to solution.

He then gave me specific outline of alleged land reforms state by state which in fact are either non-existent or in conversation stage and likely to remain there.

His lack factual info is startling and offers indication extent to which he is cut off from facts and influenced by members his Cab whose views on land problems have become increasingly conservative. Young competent staff people who know score do not dare challenge Nehru's convictions on such subjects which all too often based on lack honest info. This is basis for real concern on domestic questions. Nehru may become increasingly cut off from people and their problems and more inclined substitute speechmaking for admin and legislative actions.

Ladejinsky, who just returned from trip thru Madras state which Nehru says "had practically solved its land problem", confirmed my understanding. Ladejinsky states even under new so-called "reforms" in Tanjore area 60 percent crop still going to landlords; cultivators forced to pay expenses for seeds, etc. out of their 40 percent and clear indications that they turning increasingly to so-called Red Flag Assoc which, of course another name for Commies. Ladejinsky stated that

in some sections bitter attitude of villagers, blind stubbornness of landlords and creeping influence of Commies reminiscent of what he saw in China in 1948.

Fortunately Nehru seems to like discuss rural problems with me and I will continue tactfully whenever possible to do what I can. However, I believe best hope for Ind econ progress lies less with Nehru's leadership than with the conviction and determination which seem to be growing in many state govts notably Uttar Pradesh. The excitement and widespread All-India Press coverage of opening of first 55 community projects October 2 was deeply impressive. I was present at opening 100-village project at Alipore which attended by 16,000 enthusiastic villagers.

BOWLES

791.5 MSP/10–2052

Memorandum by the Secretary of State's Special Assistant for Mutual Security Affairs (Martin) to the Director of the Office of Military Assistance in the Department of Defense (Olmsted)

[WASHINGTON,] October 20, 1952.

Subject: Request Involving Reimbursable Military Assistance under Section 408(*e*) of the MDAA, as Amended.

Reference is made to the attached copies of a letter dated October 1, 1952, from the Embassy of India to the Department of State,[1] modifying India's previous request to purchase C–119 Fairchild Aircraft and indicating a firm desire to enter into negotiations with the Department of the Air Force for a total quantity of 26 such aircraft. Fourteen are requested for delivery in 1954/55 and the remaining twelve during the period 1955/56.

The Department of State approved this request on May 13, 1952, and now recommends that the Department of the Air Force be authorized to negotiate directly with representatives of the Indian Embassy for transport aircraft in the above quantity.

The Indian Embassy will be advised of this clearance by the Department of State.

EDWIN M. MARTIN

[1] The reference is to Wing Commander Varma's letter of Oct. 1 to Donald Kennedy of SOA. (791.56/10–152)

791.5 MSP/10–2852

The Ambassador in India (Bowles) to the Secretary of State

SECRET OFFICIAL–INFORMAL NEW DELHI, October 28, 1952.

DEAR DEAN: For several weeks by cable and airgram we have been striving to reach agreement with the various interested groups in the

State Department and with MSA on the Indian Aid program for the next fiscal year.

For several reasons our progress so far has been frustratingly slow. Some members of the Department are still clinging to the mistaken belief that the Indian economic problem can be largely solved by technical assistance. Others, who see the problem more clearly, are reluctant to make recommendations which in their judgment the new Congress might not accept.

Still others insist that the Indian government must produce precise figures on its future economic needs which we would find difficult to provide in our own country. And behind the whole confused situation there seems to lie a lack of awareness of the seriousness of the political situation here in India and an unwillingness to face what we believe to be a clear-cut crisis in Asia.

What we need and need urgently is a top level political decision on the following two points:

1. Am I correct in my assumption that a free India is vitally important to world stability and to our future security?
2. Am I correct in my assumption that steady economic progress in the next few years is essential to the survival of a free India?

If the Department feels that I am wrong, I should be told that I am wrong, and my proposals for economic assistance should be modified on the basis of that decision. But if it is agreed that my analysis is reasonably correct we should proceed to build a program that will fit the requirements of the situation. In other words, I believe that the time has come either to reject my views or to act upon them.

Over a period of many months I have presented my thoughts on India at considerable length in cables, letters, and in personal communications. At no time has the substance of the analysis been seriously challenged.

Let me sum up this analysis as briefly as I can, with the earnest request that you and others who are responsible for high level policy examine it carefully, come to a decision, and then communicate that decision to those who make up the budget.

As I see it, the choice in India is between the present democratic government and Communism. There are no other political forces of any importance. The failure of a democratic government in India, followed by a Communist triumph, would be catastrophic to America. More than one-sixth of the world's people live in India. They are intelligent, quick to learn, and adaptable to modern methods. They have shown in two wars their capacity as soldiers under competent leadership.

In World War II India provided the allied cause with an army of some 3,000,000 men. Although a good part of this army was kept in

India to maintain order, Indian forces probably turned the tide in Africa during a decisive phase of the war. A Communist India would provide the USSR with large forces which could readily dominate Southeast Asia.

In addition to this human potential, India possesses some of the richest and most strategic mineral resources in the world which are of growing importance.

The strategic location of India is obvious from a glance at the map. If India fell, the only air entry to East Asia from Europe and Africa would be lost, since Russia blocks the direct routes. An alternative sea lane around Africa and the Cape would remain but it is a poor second best compared to the Suez Canal and the Indian Ocean.

Although the disappearance of India behind the Iron Curtain would be profoundly dangerous in itself, the secondary results would be potentially even more far reaching. As the implication of India's loss to the free world became fully understood, Communist prestige would soar while ours would hit an all time ebb.

Tens of millions of people, now on our side, would become convinced that they had bet on the wrong horse. It is difficult to see how the countries of Southeast Asia could be kept out of Communist hands. The ferment in the Middle East would be intensified. The confidence of European peoples which has been gradually increasing would be undermined. The neutralists and the Bevanites would be in the driver's seat.

Thus, it is my considered opinion that the fall of India would set in motion a chain of ugly events which might readily jeopardize our hopes for the free world and eventually our own ability to defend ourselves. The continued existence of India as a free and friendly nation is second only in importance to the survival of a free Western Europe, and indeed it is wholly possible that these two great strategic areas may stand or fall together.

This leads us squarely to the second question, "What are the chances of India remaining free and what are the factors which will effect the final determination?"

Paul Hoffman once said, "India stands in 1952 where China stood in 1946". Although Paul himself would probably agree that this is an oversimplification, the comparison has been made so frequently that it may be useful to examine the Indian situation against this background. There are some factors in India which are decidedly more favorable than those present in China in 1946. But there are others which seem at least equally ominous.

First let me state the favorable features as they now appear to us here in India.

1. Most Indian officials are of high integrity and of more than usual experience. Among them are some individuals of outstanding

ability. India has a civil service which has been built up over a period of years and which is capable of providing the country with perhaps the best administration in Asia, with the exception of Japan.

2. Most Indian government leaders were educated in the West and practically all of them in the Western tradition. Without exception, they are non-Communists and rapidly becoming more sophisticated in their understanding of the cold war struggle.

3. Among Indian leaders there is an Anglo-Saxon respect for law and order. The army is efficient and free from politics.

4. Nehru, as the unquestioned leader of the Congress Party, has the greatest mass support of any political leader in free Asia. A substantial majority of the people respect his integrity and his accomplishments. He is identified in the public mind with liberal convictions and with a desire to better the life of the common man.

5. The Indian Five Year Plan offers a competent program for India's economic betterment and growth. Many of the projects, notably the river valley developments, are already well under way.

6. Because the Indian economy has been so long bound by tradition, major advances, particularly in agriculture, are possible in a relatively brief period of time.

7. In the last seven years, the United States Government has come to a better understanding of Asian peoples and their problems. Our information work in India has steadily improved and is substantially more effective than a year ago.

On the negative side of the ledger there are many unfavorable factors to balance the above list of advantages. Some of these factors are as follows:

1. There is considerable graft among the minor politicians, which is seized upon and magnified by the Communists.

2. The older Congress Party leaders, who won independence, are growing old and tired, and are inclined to retreat from present problems into the memories of past accomplishments. Some younger leaders, convinced that the Congress Party offers them no future, have drifted into the Communist ranks. Once the unifying strength of Nehru is removed the party is likely to splinter and to become less and less effective.

3. The present dominance of the Congress Party over the Indian political scene tends to cover up some inherent weaknesses in the administrative structure of India. The central ministries are in effect staff operations concerned with overall planning. The responsibility for administrative action lies almost entirely in the hands of the States.

Today Nehru, as head of the Congress Party, is in a position to crack the whip and the chief minister of nearly every state will respond. Once Nehru dies or his position becomes less dominant, this cohesive factor will be seriously weakened and strong state governments moving in different directions will tend to undermine the effectiveness of central policies.

4. Although Nehru talks constantly about the need for reform, there are strong influences which prevent him from actually pressing forward with the programs which are so desperately needed if Communist influence in the rural areas is to be checked. Land reform pro-

grams are for the most part paper accomplishments, and where they exist they are largely unenforced. The load of rural debt is overwhelming in many parts of India and it is common for landlords to receive 60 percent or more of the crop.

The villagers are breaking loose from old traditions and developing a new political consciousness. In most sections, there is a fast-growing conviction that the economic and social patterns of the past are unjust and on their way out.

Although this movement is still largely without direction, the Communist Party is steadily expanding the extent and effectiveness of its work in the rural areas. The Communists win many converts by their willingness not only to tackle the problems of the villagers but also to share their day to day life, a political technique that the Congress party members, with few exceptions, have long since abandoned in favor of an easier existence.

Wolf Ladejinsky, who has worked closely with the land reform programs in Japan and other Asian countries, is now on an assignment in New Delhi. Following a recent trip to South India he told me: "As I listened to the talk in the villages, I closed my eyes and found it easy to imagine that I was in China in 1946. There was the same growing bitterness of the peasants; the same stubborn insistence of the landlords that the *status quo* must be maintained; the same reluctance of the government to grapple with the basic problems and to win the support of the people".

5. An Indian government public relations effort to tell the people of its accomplishments is practically nonexistent. India's river valley developments are among the most ambitious ever undertaken, yet even people in the government are almost totally unfamiliar with what is being done.

When Communists and fellow travellers sing the praises of the "new regime" in China and its alleged reforms and accomplishments, it is rare indeed that anyone raises his voice to remind the people of India's progress in the last five years. This helps to foster a sense of pessimism, and an acceptance of the ultimate victory of Communism in Asia, even among Indians who are ardently on our side.

6. India's highly classical educational system seems almost designed to turn out frustrated, cynical young people, ill-prepared for the task of building a new country, and easy prey for Communist propaganda. The attitude of many students in India today is similar to that of Chinese students in the 1930's.

7. Although the disabilities of the scheduled castes are disappearing in the cities, they are still strong in the villages. The Communist appeal to these "second-class citizens" is increasingly effective.

8. Although most Indian leaders were educated in the West and all of them know the West well, they are psychologically conditioned by 200 years of colonialism to an almost psychopathic suspicion of western intentions, and to deep resentment of our prejudices towards the colored races. In these troubled waters, the Communists fish with great skill.

9. The Chinese and Indian Communists, fellow travellers and Chinese visitors have done a disturbingly effective job of selling China as a new land of milk and honey, which, it is alleged, has solved its problems through Communism in three years' time. The fact that

Communist China is an Asian nation modifies Indian resentment against the world Communist movement. Unfortunately, most Indians are still convinced that Russia's influence in China is unimportant.

10. The Soviet Union, blocked temporarily in Europe, is likely to concentrate heavily on Asia in the next few years and India is its logical number one target. The propaganda efforts of the Soviet Union, backed by ample funds and with increasing skill in dealing with Asian nations, are likely to be at least as effective as in China immediately following the war.

11. The goals of the Five Year Plan, although certainly modest, cannot possibly be achieved without substantial assistance from the United States, and so far there is no assurance that aid on a sufficient scale is likely to become available. We have been told bluntly that if we are unable to provide considerably more assistance, it will be impossible to start many of the projects included in the Plan, and much of the present work will be slowed down or abandoned.

The target date for completing the Five Year Plan is the spring of 1956, and the success or failure of the Indian government's effort to accomplish its clearly stated objectives will be the principal issue at stake when Nehru and the Congress Party go to the polls to request another five years of governmental responsibility at the end of that year. The failure of this widely heralded effort will be no less than disastrous.

To sum up these positive and negative factors, it may be said that India's ability to survive as a free nation will be determined by the way in which the following questions are answered in the next five years.

Will Nehru and his government move boldly ahead with the necessary village reforms, particularly land tenure and the easing of rural debt, before the Communists have the chance to expand their present organization and take advantage of the growing political consciousness of the villagers? Or will he and the Congress Party become still further removed from the people and less and less willing to face up to their problems?

How well can the Indian administrators of the Five Year Plan at all levels learn that while it is vitally important to build dams and schools and to prevent malaria, it is equally important that these advances be achieved in a way which will give the people, and particularly the younger people, a dynamic sense of participation and purpose?

Will Indian universities continue to turn out ready made material for Communist party cells or will the long needed redirection of the Indian educational system take place before it is too late?

Will the world situation enable us to maintain the kind of patient, moderate policies in South Asia which will make it possible for the situation here gradually to move in our direction if other factors are favorable?

Can we continue to improve our efforts to present American policy and the American people to Asia in sympathetic understandable terms and in a way that will gradually increase their confidence in us?

Finally, will sufficient financial resources be made available by the United States to enable India to reach the objective laid down in the Five Year Plan?

Some observers may wish to add new factors to either or both sides of the ledger, or to modify or expand the questions which I have posed. But I believe that most thoughtful observers will agree that this sobering analysis is at least reasonably valid.

What are the chances for India's survival as an independent and free country? In my opinion, the odds are slightly better than 50–50. The most optimistic estimate that you will get in New Delhi might be two to one in our favor, and the most pessimistic at least two to one against us. This means that the range of judgments is remarkably small, and that even the most optimistic among us believes that there is one chance in three that India will disappear behind the Iron Curtain within the next few years with profound repercussions throughout the free world.

What exactly can we do about it? I believe we must recognize at the outset that regardless of what we do we cannot by our own efforts wholly control the situation. Even though we follow the most patient and intelligent policies, and provide India with all the economic assistance that she can constructively use, Indian democracy may still fail because of some of the inherent weaknesses which I have described above. In other words, we can do our part to the hilt and still see India disappear behind the Iron Curtain in the next few years.

Our responsibility, however, seems clear. Regardless of the cost in time, resources and energy, we must make sure that we have done everything within our power to maintain India as a free, democratic and friendly nation.

We must send Americans to India and other Asian countries who understand the importance of this particular part of the world, and who, with their wives, are willing and able to win the confidence of the Indian people both in and out of government. We must continue by our example and by our counsel to urge broader participation of the Indian people in their own economic development.

Above all, we must here and now boldly face the facts on economic development. Let me say again with the greatest possible emphasis that the present Nehru government, which is our best assurance of free, democratic government in India, cannot maintain the necessary working majority in the next election unless the Five Year Plan is a success, and the Five Year Plan is doomed to tragic, explosive failure unless we are willing sharply and immediately to increase our assistance.

A great many people both in the administration and in Congress have been fervently hoping that this crucial situation would simply go away. But it is a life and blood crisis which will only respond to hard headed, intelligent planning and action.

Such action will cost money, but unless I am profoundly wrong in my analysis, the cost, whatever it may be, will be cheap indeed if it lessens the odds of a Communist victory in India with the ugly aftermath which would surely follow in many other parts of the world.

In 1947, you were one of the first to understand the disaster that the Western World would face if Greece and Turkey slipped into Soviet hands. In 1947, you, General Marshall, the President and others understood clearly the grave danger to our whole position in the world if Europe stumbled into an economic collapse and if the Communists took over in Italy and France. Thanks to the boldness and imagination which we displayed through the Greek–Turkish program, and later the Marshall Plan program, the Communist threat to Europe and Turkey was stopped, and this strategic area gradually stabilized.

It is our considered opinion that we face a similar threat in India today, and I believe it must be faced with equal imagination, equal intelligence and equal boldness. What India needs is what Europe and Turkey needed in 1947, a guarantee (or as close as any Congress can come to giving a guarantee) that American resources will be available in sufficient quantities to give the Indian government the opportunity to reach its Five Year Plan objectives before the next election, and thus to build a solid political and economic foundation for the future.

Sir Chintaman Deshmukh, the Indian Minister for Finance and one of the most competent men in the present government, believes that a total of $1 billion, part in foreign exchange and part in commodities which can be turned into rupees, will be required in the fiscal years 1954, 1955, and 1956 to assure the success of the Five Year Plan. Sir Chintaman has presented a lucid and sobering case for this amount.

I have strongly recommended that the President should propose to the 83rd Congress a three year program, with an appropriation of $250 million for the next fiscal year ($150 million in commodity grants which can be turned into rupees here in India and $100 million in foreign exchange).

No one can tell you the exact three year cost for an Indian aid program any more than you knew the exact cost of Greek-Turkish aid when you and Loy Henderson presented that emergency situation to the President in 1947; or any more than you, General Marshall and Paul Hoffman knew what it would cost to stabilize the economies of western Europe between 1947 and 1951.

The total cost of the Marshall Plan was in the neighborhood of $12 billion. When we consider that the Second World War cost $100 billion a year, in addition to endless misery and suffering, any sensible

man must agree that the stabilization of western Europe which this program made possible would have been justified if the price had been ten times as great.

The dollar cost of helping France and Viet Nam to stop Communist aggression in a shooting war in French Indo-China approaches $500 million annually, or double my estimate of India's needs for the next fiscal year. If we wait until the Indian situation really begins to fall apart, Congress will undoubtedly vote any sum that we request. But by that time it will be too late for effective action.

There are several reasons why it should be easier now to give India our assurance of full economic support than it was in the historic year of 1947 to take the bold decisions on Europe, Greece and Turkey. First, the investment which seems likely to be required is actually less than what was spent for economic assistance in Greece alone between 1947 and 1951.

Second, we have learned a great deal since that time about handling economic aid.

Third, the Indian Government, unlike several European countries in 1947, has demonstrated its willingness to make very great sacrifices in its own behalf.

Fourth, the Indian economic situation is definitely not a bottomless pit. If the Five Year Plan is successful, our aid can be sharply reduced by 1957. Once India becomes self-supporting in food and cotton (a goal which the Five Year Plan reasonably assumes can be reached by the end of 1956) more than $600 million in foreign exchange which now must be used each year to buy wheat, rice and cotton abroad can be put to work in building Indian industry and opening up her resources.

Fifth, both our political parties have been outdoing each other in this election to express their concern about Asia and their determination to face up to Asia's problems.

Thus, I strongly recommend that we present to Congress a three-year program, based on the experience of the Marshall Plan, with an assurance to the Indian Government that we shall fill the gap in their own financial resources necessary to enable them to reach their Five Year Plan objectives. I propose that we offer our best estimate for the total overall program with a specific figure for the first year. The economic specialists can then work out the details of the program with the Indian government, with the clear understanding that no funds will be authorized except for carefully planned and urgently needed projects.

By and large the record of the present Administration in foreign affairs is a record in which all Americans take pride. The tide of Communism has begun to recede in Europe and the danger of a military attack has lessened. We have faced up to the challenge of Korea and

there is a fast-growing awareness of the importance of India and Southeast Asia to our global strategy and to the maintenance of the free world.

In a little more than two months, a new Administration will take over. I know you are anxious that we turn over our responsibilities to that Administration on the most solid possible basis. In my opinion this calls for a firm, clear recommendation to Congress and to the new Administration that the crucial problem of India must be faced as boldly as we have faced equally difficult problems in the past.

Let me emphasize again that we cannot assure the success of democracy in India regardless of what we do or how much money we spend. Much will depend on what the Indian government itself does or fails to do.

But it is clear that without our assistance the establishment of a stable, secure democratic government in India verges on the impossible. Our willingness to meet India's urgent economic need plus our ability to win India's understanding and friendship may readily determine the future of free Asia. And regardless of the outcome we will always have the satisfaction in knowing that we met this crucial situation squarely at an important period in history.

May I add one final word. This lengthy letter has dealt necessarily with the implications of a Communist India, and with what I believe we must do to help prevent this catastrophe. The positive side of the situation should be readily obvious.

A dynamic, stable India and a friendly Japan can provide two crucial anchors for the whole vast territory from South Africa to the Aleutians. Democratic India with her 360 million people linked to the United States by a common stake in a free and prosperous world can provide the essential bridge between East and West. The balance of power and influence would be tipped sharply in our direction. The stabilization of Southeast Asia, the Middle East and Africa and the isolation of the Communist world without war would be brought immeasurably closer.

My proposals obviously call for the highest level policy decision. For this reason, I am enclosing three copies of this letter which you may wish to send to Bedell Smith, Averell Harriman and Bob Lovett.[1]

With my warmest regards.

Sincerely, CHESTER BOWLES

P.S. My heartiest congratulations on your magnificent speech before the General Assembly.[2] I have just mailed a copy to Nehru.

---

[1] On Nov. 18, Assistant Secretary of State Byroade sent copies of Ambassador Bowles' letter to Secretary of Defense Lovett (110.11 AC/1852), to Director of Central Intelligence Smith (891.00 TA/11-1952), and to Director for Mutual Security Harriman (891.00 TA/11-1852).

[2] The reference is to Secretary of State Acheson's speech before the UN General Assembly at New York on Oct. 16, 1952. The text is in the Department of State *Bulletin*, Oct. 27, 1952, p. 639.

791.56/11-552

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade)[1]

SECRET [WASHINGTON,] November 5, 1952.

Subject: Possible release of tanks to India.

Participants: His Excellency Mohammed Ali, Ambassador of Pakistan
Assistant Secretary Henry A. Byroade, NEA
Mr. Donald D. Kennedy, SOA

Mohammed Ali, Ambassador of Pakistan, called by appointment to say that his Government had information that the US might release 300 tanks to India; that this would adversely affect the balance between the two countries to Pakistan's disadvantage; that Pakistan believed India had aggressive designs against Pakistan which such US action would assist; and that arming of India by the US would be considered as an unfriendly act.

I first raised the question of intent, pointing out that I was very disturbed by his reference to "designs" on the part of India. I said I had no information on which to base such a conclusion. In fact, the US had an agreement under Section 408(*e*) with India as it also had with Pakistan, in which that Government assured us that it would not engage in any aggression. As to the specific question of the 300 tanks, I said that in my view this did not constitute a magnitude that would really disturb any balance in the subcontinent. If India had asked for a large number of jet planes, for example, then I would have been concerned as to the implications. Actually, Pakistan had procured from us on a cash, reimbursable basis more in actual quantity than had India. We of course had no program for "arming" India. The Ambassador suggested that we obtain the full details of both India's and Pakistan's military establishment and decide in light of all the facts how much each should obtain. I pointed out that we had no arms program for either country, and I did not see how we could undertake such an examination or, in fact, how we could arrive at any judgment as the result of such an examination. Under the 408(*e*) agreements we proceeded on the requests of the other government. I would find it very difficult to deny the assistance for the amounts of equipment involved because of my own belief that the presence of the communist menace really should impel each country to maintain its ability to defend itself and to improve that ability where possible. The real solution was the establishment of friendly and cordial relations between India and Pakistan.

---

[1] This memorandum was drafted by Kennedy of SOA.

The Ambassador asked what he could report to his Government. I said I hoped that he would reflect our position as it has been discussed. In addition he might wish to point out that the number of tanks going to India as indicated by the Ambassador was over-stated and say that it was my belief that the tanks which India might get would not be of a magnitude to really adversely upset whatever balance between the two countries might exist. It was also a fact that Pakistan had obtained more of the item in question than had India, which would seem to indicate that US action had not disturbed any existing balance.

The Ambassador asked if he could come in next week after his return to Washington to discuss this question further. I replied that I would be glad to see him, but that I doubted I could tell him much more than I already had. I would, however, study the question further. The Ambassador thanked me for this consideration.

891.00 TA/11–1952

The Ambassador in India (Bowles) to the Secretary of State

CONFIDENTIAL OFFICIAL–INFORMAL NEW DELHI, November 19, 1952.

DEAR DEAN: In my letter of October 28, 1952,[1] I urged the need for a fundamental policy decision that would govern for the next three years our attitude towards Indian affairs, and serve as a basis for determining the size of our aid efforts in India. I expressed the need for some sort of a commitment to India that we would not allow her Five Year Plan to fail for lack of resources.

As you know, I have consistently argued in behalf of a program that not only faces up to India's foreign exchange problems, but also to the urgent need of finding adequate local finance without resorting to inflation. I originally suggested that this phase of our program should include the importation of consumer goods such as wheat and cotton that India would have to import in any case. The rupee proceeds could then be made available to the Government of India for the internal financing of essential development projects under the Five Year Plan.

The Department, however, in its telegram 1322 of November 1,[2] while accepting the need for rupee financing, said that for various reasons it was opposed to grants for wheat and cotton, and that salable goods to develop rupee funds should be largely fertilizer, iron and steel and industrial raw materials. In a previous telegram (4257 of May 16)[3] I had agreed to this kind of a program as a second choice, and in my telegram 1961 of November 7[4] I agreed again, subject to

---

[1] *Ante*, p. 1668.
[2] Not printed. (891.00 TA/9–1952)
[3] Not printed. (891.00/5–1652)
[4] Not printed. (891.00 TA/11–852)

certain qualifications that were inherent in my earlier assent. The Department's desire to construct the India aid program for fiscal 1954 along these lines calls, however, for certain administrative and operational changes which I should like briefly to explore with you.

Although industrial raw materials from abroad are consumed in quite large quantities by private industrial firms in India, a large demand remains unsatisfied. This demand is matched by rupee finance in the form of idle balances of Indian industrial enterprises which cannot be used to purchase foreign raw materials because of their inability to obtain corresponding amounts of foreign exchange.

Any effort to bring in such industrial raw materials under public purchase (but with the United States Government picking up the check) would, in the present state of Indian administrative procedure, result in numerous delays and frictions.

It seems to me, therefore, that the logic of the Department's viewpoint as recorded in its telegram 1322 requires that we shift, in India, to a type of program much more along the lines of the programs developed under ECA in Europe.

Under the modified type of program as I visualize it, part of our Indian aid budget would be made available (subject to very great flexibility in operation) for the purchase in America or elsewhere of goods in the general category of industrial raw materials as well as some industrial machinery and equipment, without any effort to specify in advance fixed quantities of specific commodities or items. Applications under specific headings would be made by individual private concerns here in India.

Such applications would be examined and coordinated by the present Indo-American consultative machinery, and modified as might be necessary. Applicants whose import proposals were approved would deposit into Fund B, rupees of an equivalent value to the imports which have been requested. These rupees would be available for use in financing urgently needed development projects under the Five Year Plan.

A program of this type would have certain very definite advantages.

First, by providing assistance fairly directly to the private sector of the Indian economy, it would meet criticisms of our present program that have arisen both here and in the United States to the fact that not enough attention is being paid to the growth and promotion of private enterprise.

Second, it would tap, for investment purposes, private rupee funds which are now idle because of lack of access to foreign exchange resources.

Third, it would utilize the local entrepreneurial skills which are willing and able to plan and administer efficient operations, but which are now necessarily neglected in favor of public projects.

Fourth, it would make possible some initial progress toward a solution of India's fundamental long-term problem, namely, the employ-

ment of India's enormous labor potential, much of which is now largely idle.

This is a most important point which I did not emphasize sufficiently in my letter of October 28. We have properly concentrated on India's food problem which must receive top priority in terms of India's immediate needs. However, as I have maintained all along, the food problem can be licked within three or four years provided India gets sufficient help from the United States. But the ultimate test of the Indian economy will be to find the means of absorbing India's idle manpower and applying it to constructive purposes.

I have tried in the preceding paragraphs to sketch briefly the changes in emphasis and in operational procedure which are necessary if our program here is to be carried out along the lines of the Department's telegram 1322. In addition, I have been giving a great deal of thought to the ways in which our efforts here can and should be integrated with a broader approach to the achievement of economic and political strength and stability in the free countries of Asia, including Japan.

My thoughts are still in the formative stage. For the moment I say that I have been convinced, ever since my visit earlier this year through Southeast Asia, that in operating a number of separate and essentially unrelated programs in different countries from here to Japan, we are not getting full value from our investment. I realize, however, that a solution will not be easy.

With warm personal regards,

Sincerely, CHESTER BOWLES

791.5 MSP/1–553 : Airgram

The Secretary of State to the Embassy in India

CONFIDENTIAL WASHINGTON, January 5, 1953.

Subject: Request under Section 408(*e*) by the Government of India for C–119G Aircraft.

A–407. This subject was discussed during a recent visit to New Delhi by Mr. Theodore Tannenwald who has requested that the following information be conveyed to the Embassy.

The Government of India requested, on October 1, 1952, a quantity of twenty-six C–119G Fairchild aircraft including supporting equipment and spare parts.[1]

This request was approved by the Departments of State and Defense and on November 20, 1952 the Department of the Air Force wrote a letter offer to the Embassy of India [2] containing estimated de-

---

[1] See the memorandum by Martin, Oct. 20, p. 1668.

[2] A copy of this letter has not been found in the Department of State files.

livery dates for the above mentioned equipment in 1954 and 1955 at an approximate total cost of $24,247,964 based on a January 1, 1953 acceptance.

The Indian Air Attaché has indicated to the Department of the Air Force that they plan to accept the offer and he has informally discussed financial arrangements with the Comptroller, Office of the Director for Mutual Security. As of this date, no formal acceptance has been received from the Indian Embassy.

ACHESON

791.5 MSP/10–2852

The Secretary of State to the Ambassador in India (Bowles)[1]

SECRET OFFICIAL–INFORMAL [WASHINGTON,] January 8, 1953.

DEAR CHET: I have read your letters of October 28 and November 19 with great interest. Your thoughtful analysis has been given wide circulation and careful attention. We are in complete agreement with you that a free India is of great importance not only to world stability but also to the future security of the United States. We also believe with you that if India is to remain a democratic nation it is essential that visible economic progress be made in India in the next few years.

As you know, the Department of State has repeatedly put these points to other interested agencies and members of Congress and has tried to make it clear that the economic progress necessary to maintain internal political stability in India can be realized only if technical and economic assistance in substantial amount is made available from the United States.

During the period you have been in New Delhi, our political relations with India have developed most favorably. We have also made a good start in the economic development field. In view of India's tremendous significance to us in our dealings with Asia and the United Nations, we must clearly intensify this policy of closer friendship and broader cooperation.

Despite our common efforts to bring home to the members of the Congress and the American people as a whole the need—in our own security interest—for providing substantial United States assistance to India, the amounts made available under the Mutaal Security Program of the last two years have fallen short of those requested by this Department. Nevertheless, the appropriations have been sufficient to permit a successful and auspicious beginning of our joint effort and have served to establish the working organization necessary for close cooperation between the two Governments and for the implementation of the Indian development program.

---

[1] This letter was drafted by Delaney and Michael G. Kelakos of SOA.

It was fortunate indeed that India had the initiative to plan and begin a program of economic development. It is more than a plan on paper and represents great effort on the part of India. It truly gives us a chance to help India to help itself. India's success not only will be significant in terms of benefits to India and the United States, but also will hearten and stimulate other underdeveloped countries of the world which are striving to overcome economic difficulties similar in many respects to those of India.

How this can best be done not only for India but for the rest of our friends is the question that has occupied our thoughts for some time now. We have not answered the question to our complete satisfaction thus far, although we do believe that we have arrived at a workable approach. The incoming administration may, of course, regard these problems differently but I think that the importance of a stable and democratic South Asia to United States security will continue to argue for the provision of substantial economic aid in that region.

Two of your specific points relate to the need for $250 million for fiscal year 1954 and as clear an authorization as we can obtain from the new Congress for a program of three years' duration, to help India complete its five year economic development plan.

To meet your first point, the Department proposed to the Bureau of the Budget a fiscal year 1954 aid program for India of $231 million plus $51 million as India's share of a Basic Materials Development Program, all included in an overall Mutual Security Program of $7.8 billion. As a result of cuts and restorations, the total 1954 program that will be proposed by the present administration totals $7.6 billion. No final breakdowns have been made by country, but it may be anticipated that the Indian share will approach $200 million, thus going far toward meeting your suggestions.

As far as a long term authorization is concerned, we have recommended to the President that in his budget message to the Congress he include a statement recommending a continuing aid program for India. This will not necessarily take the form of a monetary sum as was the case with the original Economic Cooperation Administration request. What is important is to make clear the general understanding that such a program as we now envisage is one that will necessarily require several years to accomplish, and that it is necessary both for the countries receiving aid and for the United States to recognize that forward planning, supported by an appropriately safeguarded assurance on our part to continue with our contributions, is an essential to success.

Needless to say this same thread of long-range interest runs through our programs of assistance to other countries, and what we plan for India must be considered in the context of what we can afford to do now and undertake in future years for other nations in the Near East, the Far East, Europe and elsewhere.

I was pleased to have the comments in your November 19 letter on the advantages of the type of developmental goods program proposed by the Department for Fiscal Year 1954. The modifications you propose will be given careful consideration.

In the best interests of the United States, India must be encouraged and helped to remain in the democratic free world. Such encouragement can best be given by an acceleration in the rate of Indian economic development, with the consequent rise in the standard of living of the Indian people; to help accomplish this, substantial funds must be made available in the next few years from the United States for technical and economic assistance.

I believe that while our assistance is of tremendous importance to the success of the Indian Government's development plans, what the Indian Government itself does or fails to do is the determining factor. I believe further that we should continue our assistance and enlarge its scope for the next few years. This we should do despite our common understanding that we cannot make absolutely certain the success of democracy in India regardless of what we do or how much money we spend. Our duty to the American people requires us to take every positive step to avert India's being lost to the free world through default. In my estimation no single step is more important than technical and developmental aid.

I shall make your letters available to Mr. Dulles [2] and to Mr. Stassen, in the certainty that your provocative and thoughtful analysis will be helpful to all concerned with steering these programs through the new Congress.

Sincerely yours,

DEAN ACHESON

[2] Assistant Secretary of State Byroade on Feb. 6, 1953 sent this letter and Ambassador Bowles' letters of Oct. 28 and Nov. 19, 1952 to Secretary of State Acheson under cover of a memorandum to Secretary of State John Foster Dulles (791.5 MSP/2–653).

791.56/2–1753

The Chargé in India (Mills) to the Department of State

CONFIDENTIAL NEW DELHI, February 17, 1953.

No. 1797

Ref: Deptel 1854, Dec. 31, 1952; Embtel 2687, Jan. 6, 1953; Deptel 1916, Jan. 9, 1953.[1]

Subject: Government of India Requested to Make Final Settlement on Surplus Property.

On February 17, 1953, I handed to the Secretary General of the Ministry of External Affairs of India, Sir N.R. Pillai, a third person Note (No. 271, dated February 17, 1953) which requests a final settlement on surplus property turned over to the Government of India for

[1] None printed; these documents are in Department of State file 791.56.

disposal at the end of World War II under an Agreement dated May 16, 1946.[2] A copy of the Third Person Note is enclosed.

I pointed out to the Secretary General that most surplus property arrangements with other countries had been brought to a successful conclusion and that it would be most helpful if this could be done in the case of the Agreement with India. I also outlined the reasons why the Government of the United States considers that renegotiation regarding the cut-off date for the sharing of proceeds would be equitable.

The Secretary General himself realized the importance of concluding this matter when I hinted that it would be natural for the United States Congress to enquire into compliance with prior agreements when considering new economic relations with various countries.

The Secretary General promised to have the question examined without delay.

There is also enclosed a copy of a memorandum dated January 28, 1953 prepared by Lewis M. Lind, Economic Attaché, entitled "Background Memorandum on Status of Surplus War Property Agreement of 1946".

SHELDON T. MILLS

Enclosure 1

THIRD PERSON NOTE

No. 271

The Embassy of the United States of America presents its compliments to the Ministry of External Affairs and has the honor to refer to the "Agreement Between the Government of the United States of America and the Government of India on Settlement for Lend-Lease, Reciprocal Aid, Surplus War Property, and Claims," signed and made effective by the two Governments on May 16, 1946.

Many similar military surplus disposal agreements were made by the Government of the United States with other countries following termination of the late war, and action on most of these agreements has been completed. Negotiations are nearly ended for achieving the same objective in regard to the remainder of the agreements.

Implementation of the Agreement of May 16, 1946, between the Government of India and the United States Government, on the other hand, as the Ministry is aware, was delayed in fulfillment, in large measure due to unforeseeable circumstances which developed subsequent to the signing of the Agreement, as discussed below. It is believed by the Government of the United States that in view of the progress which has been made by Government of India disposal agencies in recent years and up to the present, however, and because sufficient data has by this time undoubtedly accumulated, that it will

[2] On May 16, 1946, representatives of the United States and India concluded a mutual aid settlement agreement in Washington. For the text, see TIAS No. 1532, or 60 Stat. (pt. 2) 1753.

now be possible to arrive at an early settlement and to prepare the Final Report which was contemplated in the Agreement.

The Embassy is instructed to explain to the Government of India that the Congress of the United States is scheduled to review the status of all surplus property disposal agreements during the present Session of the Congress, and that the Department of State and the Embassy believe it would be most desirable to be in position to report to the Congress during the opening months of the Session that substantial progress has been made toward achievement of a final surplus property settlement with the Government of India.

Analysis of records available to the Embassy indicates that sales of United States surplus materials to June 30, 1948, netted 25.122 crores of rupees, which, if 16.5 crores (the rupee equivalent of fifty million United States dollars, at the agreed rate of 3.3 rupees per dollar) are subtracted as a prior allocation to the Indian Government, leaves 8.622 crores from sales proceeds to be divided equally between the two Governments in accordance with the terms of the 1946 Agreement.

The share of the Government of the United States from the 8.622-crore balance is thus 4.311 crores. Embassy records indicate, however, that the United States Government has received only 7,495,000 rupees to date out of its 43,110,000-rupee share of proceeds from sales made up to June 30, 1948. In connection with the submission to the present Congress of the status report on implementation of the Agreement with India, it will be appreciated if the Government of India will indicate whether its records are in accord with the amounts cited above.

A careful review of Embassy records on the surplus property disposal program reveals that because of internal Indian dislocations connected with the aftermath of partition, which could not have been predicted when the Agreement was reached in May 1946, it was not possible to sell all United States surplus property by mid-1948 as had been hoped and expected; and that on the contrary, sales declined from 6.03 crores in the last quarter of 1946 to approximately one-half crore per quarter in the last three months of 1947 and the first quarter of 1948.

Since net realizations from sales, after deductions for normal import customs duties, amounted to 36 crores up to the end of May 1949, on surplus United States materials with an original book value of 176.5 crores, the net over-all yield for the total amount involved to the date mentioned was thus 20.4-percent of the book value.

If this 20.4-percent realization factor be applied to the 25.122 crores of surplus material sold up to June 30, 1948, it would indicate an original book value of 123 crores for the surplus sold by that date, out of 240 crores' worth, original book value, of all United States surplus available for disposal under the program. In other words, it appears that the disposal program, so far as it concerned United States materials, was only half completed, because of unforeseen, unsettled conditions in

India, by the date upon which full disposal was expected, in the May 1946 Agreement, to have been achieved.

It seems consequently apparent that, because of abnormal conditions, sales of a significant portion of the aggregate United States surplus property, which when the 1946 Agreement was signed might have been expected to have been achieved before June 30, 1948, actually were not accomplished until after that date; and judging from the June 1949 Report of the Standing Advisory Committee, Ministry of Industry and Supply, a considerable disposal took place in the next following months in the period July 1948–May 1949 which resulted in total realizations of 36 crores by May 31, 1949, compared with the 25.122-crore total of June 30, 1948.

As of May 31, 1949, the book value of the unsold balance of United States surplus materials was 63.5 crores, which would have an hypothetical value of 12.954 crores if the 20.4-percent realization factor is again applied.

In view of the anticipated need for prompt submission of information regarding progress in implementing the 1946 Agreement and of the Final Report to the Congress, the Embassy would appreciate an early verification by the Government of India of the 43,110,000-rupee United States share for sales up to June 30, 1948, less the 7,495,000-rupee payment already received by the United States Government.

Since (*a*) United States surplus sold by June 30, 1948, apparently was only 123 crores in book value, about half of the 240-crore total, (*b*) 10.878 crores in addition were sold in the first eleven months after June 30, 1948, and (*c*) the book value of United States surplus property remaining on May 31, 1949, was 63.5 crores, the Government of the United States would like to enter negotiations with the Government of India at an early date to determine as accurately as possible the final figures to date and to conclude a mutually-satisfactory and equitable arrangement for the sharing of proceeds from sales (unexpected at the time of the 1946 Agreement) made after June 30, 1948.

Enclosure 2

Memorandum by the Counselor of Embassy for Economic Affairs in India (Loftus) to the Ambassador in India (Bowles)[1]

CONFIDENTIAL [NEW DELHI,] January 28, 1953.

Subject: Background Memorandum on Status of Surplus War Property Agreement of 1946

As part of the United States Government program to have all stipulated action taken in the various American war surplus disposal agreements which were made shortly after the last war, the Embassy is under instructions to open negotiations with the Government of India to

[1] This memorandum was drafted by Lewis M. Lind, Economic Attaché of Embassy in India.

arrange for complete implementation of the Indo-U.S. Surplus Property Agreement of May 16, 1946.

Present Instructions from the Department:

We have been instructed (*a*) to press the GOI for a Final Report and for payment of 35,615,000 rupees still unpaid from the U.S. share of American surplus property sold prior to June 30, 1948—we have been paid only 7,495,000 rupees so far, altogether—and (*b*) to try to obtain an extension beyond June 30, 1948, of the period during which the United States shares 50–50 with the Government of India on all proceeds from sales of American surplus.

Background:

In May 1946 United States surplus property in India, with an original book value of about 240 crores, was selling briskly through Indian and American efforts. At the time of signature of the Agreement, on May 16, 1946, it looked as though all materials would be sold within two years. The Agreement provided:

(*a*) That the Government of India would receive *all* of the first $50,000,000-worth of rupees from such sales.

(*b*) That proceeds from subsequent sales, after amounts equal to "normal customs duties" had been taken by the GOI, would be shared equally by India and the United States.

(*c*) That all proceeds from sales made after June 30, 1948, would revert to the Government of India; and

(*d*) That all of the American share of such proceeds would be spent in India in rupees, for housing and administrative expenses of the Embassy and our other posts in India, and for educational purposes in this country.

Due to participation dislocations, instead of all surplus being sold by the end of June, 1948, only 51 percent was, with an original book value which we estimate at 123 crores. During the winter months of 1947–48, for example, sales had slowed to a trickle—about one-half crore per quarter.

After the cut-off date, however, when all receipts became exclusively Indian, sales rose quickly to the extent that in the next 11 months, by May 31, 1949, sales proceeds were 11,878 crores.

Surplus materials with a book value of 63.5 crores were stated to be on hand for disposal on May 31, 1949, and the Embassy has no information on sales made or proceeds received by the Indian Government since that time.

Comment:

Embassy rec[illegible] on this subject were quite bulky, but are nevertheless incomp[illegible] we believe mainly because the Indian Government has been s[illegible]ewhat remiss in submitting regular data in the spirit intended in the 1946 Agreement.

Mr. Lind has had to reconstruct the fairly complete picture we

now have from fragmentary records, and we fully expect that new and more accurate information will be disclosed by the Government of India as negotiations proceed. On the other hand, the Department has approved all the figures and the reasoning process shown in the Note, by cable within the last three weeks; and thus we do at least have a starting point for the negotiations.

A summary of the amounts involved is below:

	Original Book Value in Crores	*Proceeds from Sales, in Crores, at Over-all Realization Rate of 20.4%*
A. Sold to June 30, 1948	123. 0	*25. 122
B. Sold July 1, 1948 to May 31, 1949	53. 5	*10. 878
C. On hand May 31, 1949	63. 5	*12. 954
	240. 0	48. 954

Possible United States shares of the proceeds are as follows, depending on the concessions, if any, that the GOI may be willing to make (dollar equivalents at the approximate rate of 21¢ to the rupee are also given, even though the American share must be kept in rupees and spent in India):

		Actual and Prospective U.S. Shares	
	Crores	*Crores of Rupees*	*U.S. Dollars @ 21¢*
A. Pre-cut-off date sales were	25. 122		
GOI prior allocation $50 million @ 3.3 Rs/$	16. 500		
Remainder for sharing	8. 622		
Of which half for U.S.	4. 311		
U.S. has been paid	0. 7495		
Therefore still owed U.S.		3. 5615	$7, 479, 150
What We Can Aim for in Negotiations:			
B. Sold July 1948–May 1949	10. 878		
Of which U.S. half would be		5. 439	11, 421, 900
C. Book value of surplus on hand at time of last report was 63. 5 crores; at 20.4% rate of return, proceeds might be	12. 954		
Of which U.S. half would be		6. 477	13, 601, 700
Totals		15. 4775	$32, 502, 750

An interesting point of which you should be advised is that, after the Embassy had pressed the Indian Government for the final account-

*Note: "Proceeds from Sales" for A and B together did in fact amount to a rate of return of 20.4% of original book value, after the GOI subtracted "normal customs duties". For A and B *separately*, however, and for C, the 20.4% rate is an assumption. [Footnote in the source text.]

ing as of June 30, 1948, the Ministry of External Affairs eventually sent a note in the summer of 1949 which said that the estimated realizable value of U.S. surplus on hand at the end of June 1948 was five and one-half crores, which would probably just cover the expense of storing and selling it—with the inference that our share of sales up to the cut-off date was all we could expect. As you will observe from the above tables, however, only 51 percent had been sold by June 30, 1948, and proceeds (disregarding receipts of the GOI from import duties levied) were 10.878 crores in the 11 months immediately thereafter. The MEA note seems to have been so seriously in error that it seems wiser not to mention it in our proposed new Note on the subject.

The United States has received only 0.7495 crores to date from the Government of India on materials with an original value of 240 crores, which represents a cash return of 0.315 percent. In the event the GOI remits the remainder of our share for sales before June 30, 1948, this percentage will rise to 1.83 percent. If our share is extended to include known sales through May 1949, our percentage would be 4.09; if the GOI conceded all the way and our assumptions on rate of return are correct, the United States share of the proceeds would represent 6.75 percent of the original book value.

The Government of India has come off better in the program. Disregarding our share that they have kept thus far, their own portion has included (*a*) the prior $50,000,000 allotment, or 16.5 crores, (*b*) the GOI share of the remainder for sales before the cut-off date, which was 4.311 crores, (*c*) their own share of sales in the following 11 months, or 5.439 crores, (*d*) their part of the goods unsold on May 31, 1949, which has been estimated on the 20.4%-return basis as 6.477 crores, and (*e*) whatever the GOI received as "normal customs duties" on all sales.

The files suggest that there may have been some deliberate delay in making sales aggressively while the cut-off date was drawing near, but there is really no clear evidence on the point. It is somewhat more certain that in addition to partition disorders there were disorganization, inefficiency, and doubtless some corruption in the Indian disposals program; these seem to have been at least part of the reason for Indian reticence and defensive attitudes from time to time in the past. From the viewpoint of ethics some of this was indeed not good; but we should remember that many hundred million dollars' worth of Army equipment was suddenly put in their hands for disposition when it was actually scattered at 40-odd depots and airfields, many of them far out in the jungles, and apparently no one could have been prepared for the expenditures which would have been needed to care for the materials properly. The GOI, with the backing of the British,

did insist that we let them handle the whole program, and perhaps the best that can be said in summary is that they didn't know what they were getting into.

From 1949 to 1951 the Embassy and the Department agreed that conditions were not propitious for negotiating an amendment of the cut-off date, due to Indian resentment over our delay in granting the wheat loan and for other reasons. In 1952, however, the Department began to suggest that action would be timely. We felt that the subject was complex and that none of us were surplus disposal experts, and asked several times that one or two specialists in the field be assigned to the Embassy from Washington to carry on the negotiations. The Department did not agree to this proposal and insisted we start at once in order that some evidence of progress can be demonstrated to Congress soon, and so that the 1946 Agreement can finally be brought to some reasonable conclusion.

891.00 TA/3–353

Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan) to the Secretary of State [1]

CONFIDENTIAL [WASHINGTON,] March 3, 1953.

Subject: Your request for information about the $200 million 1954 program for India.

The new government of India, non-communist in character, is faced with grave and perplexing problems of establishing workable and lasting democratic institutions and of meeting inter-related economic problems of food shortages, agricultural development, land reform and balanced industrialization. It is the largest country in free Asia and potentially it could be a powerful force on the side of the free world. Conversely, its loss through communist control or alignment would constitute a most serious blow to the position of the US and its allies in Asia. Its location geographically and the magnitude of its problems make it vulnerable to communism.

In gaining independence the Congress Party emphasized the burden upon the people imposed by colonial status and the benefits which would result from freedom, economically as well as politically. In its efforts to meet its commitments, the GOI has developed a Five-Year Plan which, if successful, will result in only the minimum necessary progress. To accomplish this much, however, it is estimated that for the next three years outside financing not now in sight at least to the

---

[1] This memorandum was drafted by Kennedy and Fluker of SOA.

amount of $730 million will be required. The proposed $200 million for fiscal 1954 is directed towards this essential need for economic development. (See attached letter of Oct. 28, 1952 from Amb. Bowles.)[2]

The US program continues to stress improved agriculture and over three-fourths of the total amount is allocated either directly or indirectly for this purpose. The community development program is the heart of it, and the proposed 150 community centers are expected to reach 30 million people. Small sums are tentatively allocated to health and sanitation, education, public administration, and transport and communications. A specific breakdown is attached (Attachment 1).[3]

New national elections will have to be held at the end of 1956. The intervening years provide us with the opportunity of showing that Western democracy is willing and able to assist a democratic India and of establishing in India that the democratic way of life does hold for Indians the possibility of improvement.

---

[2] *Ante*, p. 1668.
[3] Not printed.

891.00 TA/3–453

Memorandum by the Secretary of State to the Under Secretary of State (Smith)[1]

SECRET [WASHINGTON,] March 4, 1953.

Reference: Letter for Secretary's signature to Mr. Stassen setting up MSA budget figures.[2]

1. I do not wish to sign this letter as long as it carries the sum of $200,000,000 for India. I doubt that this amount is either justified by the facts or could be justified to the Congress.

2. I am returning this letter and some additional material that accompanied it [3] to you with the request that the India figure be reduced. If such a reduction is against the best judgment of those in the Department who are concerned, I think the only thing we can do is to have a conference with the interested people.

3. If this amount for India is reduced, will this affect the proportionate amount allocated to Pakistan?

---

[1] Secretary of State Dulles drafted this memorandum.
[2] This letter has not been found in the Department of State files.
[3] The additional material referred to was a memorandum dated Feb. 25 to the Secretary of State from Edwin M. Martin of S/MSA which has not been found in the Department of State files and Jernegan's memorandum of Mar. 3, 1953, *supra*.

891.00 TA/3-553

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) and the Director of the Policy Planning Staff (Nitze) to the Secretary of State [1]

SECRET [WASHINGTON,] March 5, 1953.

Subject: The India and Pakistan Programs for Fiscal 1954.

In case you have not seen New Delhi's telegram of March 2 in support of the $200 million program, it is attached for your reference (Tab A).[2] We also support the importance of a program of this size in India and the related program of $49 million for Pakistan. Very briefly, considerations which seem persuasive are: the political necessity of the economic progress during the next three years which this and subsequent assistance would provide; the improved internal stability in India and Pakistan, which it is believed would result; the need in a broader sense of the friendly cooperation of India and Pakistan in trying for a settlement of the Korean question; the need to maintain the best possible relationship with India and Pakistan in connection with efforts to resolve Kashmir; and the support which large programs would give in connection with the formation of MEDO.

However, because of the budgetary situation and your desire to cooperate fully in making reductions, we have now modified our program requests to $140 million for India and $36 million for Pakistan. This was the first stage reduction on which evaluations were requested by DMS.

Your proposed letter to Mr. Stassen in support of the Department's budget presentation has been modified accordingly and is attached (Tab B).[3]

[1] Kennedy of SOA and Arthur Z. Gardiner, Politico-Economic Adviser, NEA, drafted this memorandum.

[2] Not printed; the reference is to New Delhi telegram 3455, Mar. 2 (891.00 TA/3-253).

[3] This letter has not been found in the Department of State files.

891.00 TA/3-353

Memorandum by the Secretary of State to the President [1]

SECRET [WASHINGTON,] March 16, 1953.

You may be interested in the final paragraph of a recent cable from Chester Bowles [2] on Indian aid—

[1] Secretary of State Dulles drafted this memorandum.

[2] See footnote 2, *supra*.

"Only rational basis reducing aid request is reject our political estimate (one word here garbled, correction to follow)[3] vital importance and danger of failure. This responsibility must be clearly and openly assumed in Washington. In my considered opinion it would be prelude to disaster."

I am actually recommending a reduction from a projected $200,000,000 to $140,000,000.[4]

JOHN FOSTER DULLES

[3] The garbled word in New Delhi telegram 3455, Mar. 2, was "India's".
[4] According to a memorandum dated Nov. 9, 1953 from Harold E. Stassen, the Director of the Foreign Operations Administration, to Secretary of State Dulles, a total of $89,100,000 eventually was made available by Congress for technical assistance and economic aid to India in FY 1954 (791.5 MSP/11–953).

611.91/5–2153 : Telegram

The Ambassador in India (Allen) to the Department of State[1]

CONFIDENTIAL NEW DELHI, May 21, 1953—9 p. m.

4226. Secretary had talk yesterday with Sir Girja Bajpai, Governor of Bombay, whom Nehru had brought to Delhi for that purpose.[2] Bajpai gave lengthy explanation of Indian foreign policy, excused India's failure to understand United States policy on grounds of immaturity and inexperience of Indian press and people. He declared that India would never go Communist. He said Indian authorities were aware that Red China had shown expansionist tendencies and that India was taking due precautions to defend its Eastern and Northern frontiers.

Last night Nehru gave state dinner for Secretary and Mr. Stassen at which 50 top officials Indian Government were present. After dinner Nehru arranged for various Cabinet Ministers to chat with each individually.

Today Secretary spent nearly two hours alone with Prime Minister. Conversation covered wide range subjects and will be continued at luncheon tomorrow. (Summary conversation in separate telegram.)[3] Atmosphere was friendly and he considers talks were useful.

He and members his party lunched with senior officials of Ex-

[1] Ambassador Bowles left post on Mar. 23, 1953 and was replaced by Ambassador George V. Allen, who presented his credentials on May 4, 1953.
[2] Secretary of State Dulles and Mutual Security Administrator Stassen visited the Near and Middle East between May 9 and 29, 1953. In the course of their trip, they spent 3 days in India from May 20 to 22. For further documentation on the Dulles–Stassen trip, see volume IX.
[3] Not printed; the telegram under reference was New Delhi telegram 4237, May 22 (110.11 DU/5–2253).

ternal Affairs Ministry and tonight he will attend reception I am giving largely for Indian Officials.

May 22 he and certain members party will fly in Indian Air Force plane to Agra, return in time for half hour press conference at 1230, lunch with Prime Minister, and enplane for Karachi about 1500. I shall accompany him on trip to Agra.

Messrs. Stassen and Matteson visited Punjab villages with TCA officers morning May 21, joined luncheon group, and spent afternoon conferring with Indian officials on various subjects including canal waters dispute. They will not make Agra trip but will continue conferences in New Delhi morning May 22.

Secretary received Afghanistan Ambassador Najib-Ullah May 19, who explained to him Afghanistan interest in Pushtoonistan.[4]

ALLEN

[4] For documentation regarding the Pushtunistan dispute, see pp. 1365 ff.

Editorial Note

Ambassador George V. Allen on May 29, 1953 and Anil K. Chanda, Deputy Minister for External Affairs, on June 24, 1953 signed and thereby brought into force an agreement establishing a United States educational foundation in India. For the text, see TIAS No. 2881, printed in 4 UST (pt. 2) 2288.

791.56/7–653 : Telegram

The Chargé in India (Drumright) to the Department of State

RESTRICTED NEW DELHI, July 6, 1953—4 p. m.

29. Embassy has received Government of India's reply to request for final settlement under war surplus property agreement and for renegotiation of mid-1948 cut-off date. Re Embassy's despatch 1797, February 17, 1953.

Government of India now confirms 25.122 crores of sales to end of June 1948, but some sales later cancelled or varied which change this figure to 23.96 crores net value, excluding customs duty. Realizations 23.92 crores. Deduction of rupees equivalent to $50 million (16.5 crores) leaves 7.42 crores divisible, of which US share 3.71 crores. This substantially checks with Embassy's data.

Note mentions 7,495,000 rupee payment to US and 268,235 rupees received by US for four Dakota aircraft leased to Air India, which subtracted leaves 29,336,765 rupees payable to US.

213-752 O - 83 Vol XI - Pt. 2 - 41

Refers to stores left in Pakistan, on which Government of Pakistan has reported sales of slightly less than 10,000 rupees by cut-off sales, in which two have resulted in adverse decisions relevant 9.71 lakhs, and remaining suit pending for compensation and damages of 6.8 crores. Says final settlement with US not possible until decision reached.

Says 36 crores sales to end May 1949 (middle 2 paragraphs, page 2 of enclosure 1, Embassy despatch 1797) included roughly 9 crores customs duties, making sales from cut-off to end May 1949 only 2 crores and not 11 crores.

Government of India note gives tonnage figures to show that by mid-1948, 96 percent vehicles, trailers and 77 percent other stores had been sold. Says its share of divisible portion through June 1948 (above $50 million worth rupees) only 3.71 crores against custodial and organizational costs of [garble] .25 crores. From cut-off to January 1953 costs were 5.83 crores against estimated realization of 6.4 crores. Future receipts from stores now remaining estimated 10 lakhs, with storage and sales costs bound to exceed this figure.

Says surplus transaction has, on whole, not been profitable, and that in circumstances perhaps Embassy will agree no purpose will be served in reviewing agreement terms for September US sharing of sales made after June 48.

Loftus carrying copies Government of India notes on his arrival Washington scheduled July 7.

DRUMRIGHT

493.919/7–2153 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

SECRET

NEW DELHI, July 21, 1953—4 p. m.

147. Pursuant request from Naval Attaché for investigation, Polish vessel SS *Mickiewicz*, Bombay ConGen reports consignment by GOI-owned Indian Rare Earths Limited to Taku Bar, China of 2,248 pounds "foreign" thorium nitrate valued rupees 40,500. *Mickiewicz* departed Bombay July 17 for Colombo. Embassy requested urgent clarification facts shipment from GOI and will cable results.

Bombay requested clarify word "foreign" and provide Department and Embassy with any additional information available on subject.

ALLEN

---

[1] This telegram was also repeated to Bombay as telegram 39.

493.919/7–2453 : Telegram

The Secretary of State to the Embassy in India[1]

SECRET NIACT WASHINGTON, July 24, 1953—6:51 p. m.

87. Re Colombo's 27 repeated New Delhi 3.[2] New Delhi's 174 repeated Columbo 5.[3] Although facts not yet clear, information so far received your telegrams it appears that India Rare Earth Limited is exporter in this case and that shipment was permitted by Indian Government. If these facts verified, situation extremely grave.

Note Ceylon last stop prior Taku Bar. Unless overriding objection, Embassy should immediately approach GOI re offloading cargo at Colombo on basis Indian policy such materials not exported to any destination and license invalid. View ETD *Mickiewicz* and seriousness problem GOI should act immediately. Embassy should emphasize critical nature situation since US executive branch has no discretion in cases involving this material (see PL 213).[4] Embassy may wish bring matter attention Deshmukh.

DULLES

[1] This telegram was also sent niact to Colombo as telegram 21, and it was repeated for information to London as telegram 454.

[2] Not printed; the Embassy in Colombo in telegram 27, July 24, informed the Department that the Polish vessel SS *Mickiewicz* was in Colombo loading 2,600 tons of rubber for shipment to Communist China, that the cargo included two tons of thorium nitrate loaded in Bombay, and that the ship's next port of call was Taku Bar, China. (493.919/7–2453)

[3] Not printed. (493.919/7–2453)

[4] The reference is to the Mutual Defense Assistance Control Act, known as the Battle Act (after its sponsor, Representative Laurie Battle of Alabama), which was signed into law on Oct. 26, 1951 as Public Law 213. For the text, see 65 Stat. 644. Under terms of the Battle Act, any nation trading embargoed materials to the Soviet Union and its satellites, including Communist China, would have all United States military, economic, or financial assistance terminated. One of the strategic materials embargoed under the act was thorium nitrate.

493.919/7–2653 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, July 26, 1953—4 p. m.

192. Excon. Embassy officers personally delivered note mentioned Embtel 190 July 25[1] to Foreign Secretary RK Nehru his home after noon 25th. Nehru acknowledged Deshmukh had talked with him about

[1] Not printed; the Embassy reported in telegram 190 that the instruction contained in the second paragraph of Department telegram 87 to New Delhi, *supra*, had been carried out by *a*) having an informal personal discussion with Deshmukh, and *b*) by dispatching an official note to the Ministry of External Affairs (493.919/7–2553).

this shipment thorium nitrate immediately following Ambassador's call on Finance Minister. After reading note, Nehru confirmed only Prime Minister could order off-loading thorium nitrate in Colombo, and asserted Prime Minister had not been apprised Battle Act implications in decision permit export. Said he would consult Deshmukh and give Ambassador early reply. Expressed personal opinion off-loading "might make matters worse" as, if publicized, it would reveal destinational discrimination in Indian exports contrary enunicated policy. Also, would reveal existence political strings to US aid.

Nehru admitted that prior to call from Deshmukh he had never read text Battle Act and had not been aware of full implications Section 103(*b*). However, he had file at hand and acknowledged that GOI had been fully informed as to text of act, the security lists and fact Communist China an interdicted destination.

Nehru dilated at length of interpretation word "knowingly," admitting GOI obviously knew of export but did not realize implications this export for aid program. In elaboration this theme he explained: (1) Battle Act an old law which was brought to attention his predecessor but with which he had not familiarized himself; (2) GOI, because it had few if any strategic materials to export, had paid little attention details Battle Act; (3) purpose this export was development commercial markets over 10 year period for products Indian Rare Earths Limited (stated this connection small shipments thorium nitrate had previously been made to Burma and Indonesia); (4) quantity involved present shipment very small and certainly could not be used produce atomic weapons.

Nehru questioned whether phrase "upon recommendation of administrator" at beginning Section 103(*b*) did not give administrator discretionary authority. In reply he was told this wording simply procedural and that text of Act was mandatory in case of title 1A shipments. Nehru also asked if assurances commodity would not be shipped again would permit presidential action under Section 104. Embassy representative replied that plain reading text seemed indicate no action possible under 104 until aid terminated under 103(*b*).

Embassy representatives gained impression Nehru an agitated man. While mentioning GOI understanding there were no political strings to US aid , he made no categoric statements such as reported Embtel 4097 May 11, 1953 [2] that India would do without aid if price were a change in Indian foreign policy. He did say India does not agree Communist China under Soviet domination but admitted this a point of disagreement between US and India. He now appears fully understand implications Battle Act. Aside from appropriate rejoinders Nehru's various comments, Embassy representatives stressed lack US executive

[2] Not printed. (493.919/5–1153)

discretion this situation, urged serious consideration possibility off-loading shipment Colombo.

ALLEN

493.919/7–2653 : Telegram

The Ambassador in India (Allen) to the Department of State[1]

SECRET NIACT NEW DELHI, July 26, 1953—10 p. m.

193. Excon. Loftus had long extremely frank conversation tonight with Deshmukh re thorium nitrate case, drawing upon direct observation congressional attitudes these matters as reflected aid bill hearings (including lengthy off-record interrogation Loftus by Representative Battle re India's attitude and compliance). Embassy made following points:

(*a*) Reliance by India on possibility reinstitution aid under section 104 after termination extremely precarious;
(*b*) Since general attitude of Congress not highly sympathetic aid to countries not clearly aligned with free world in terms reasonably concrete undertakings, disclosure India's action this matter (if consummated) might jeopardize whole outcome non-military aid requests, and this raises question India's responsibility in free world;
(*c*) Time had come to clean away verbal confusions resultant India's tendency to make official pronouncements re "aid without strings".

Re (*a*) above Embassy emphasized that, even if administration willing recommend immediate reinstitution aid under section 104 (which questionable in light public opinion re China trade questions) reprieve thus granted likely be only temporary for duration fiscal year 54, since sincerity India's intentions cooperate with free world would be most closely and scrupulously scrutinized in any congressional consideration future aid request. Also pointed out that in any case reinstitution under 104 would as practical matter have to be preceded by explicit request on India's part—which would mark end gentlemen's pretence India not asking United States aid and which would create obvious political difficulties internally for India.

Re (*b*), emphasized United States aid programs represent essentially pattern re-allocation world resources for freedom, hoped India would not by its separate action prejudice this general re-allocation.

Re (*c*) Embassy said that aid could be said to be with strings if, after aid extended, United States asked for political action of some sort; but this had never been case. In fact, position was that Battle Act provisions were condition or circumstance precedent Indian acceptance United States aid since notification Battle Act requirements had been made to Kripalani in Washington on December 17, 1951,

---

[1] This telegram was repeated priority to London as telegram 21, to Colombo as telegram 7, to Singapore as telegram 4, and to Hong Kong as telegram 5.

whereas Indo-United States agreement signed Delhi January 5, 1952.[2] These limitations on United States freedom of action in aid matters fully known to Government of India from outset joint economic development efforts.

Deshmukh agreed all preceding points sound and said would communicate them immediately to Prime Minister. Added gratuitous observation he thought United States Battle Act legislation entirely reasonable and sensible. Said main difficulty, perhaps insuperable, would be to find legal basis for off-loading cargo. This matter under intensive all night study by appropriate experts but he pessimistic about chance finding feasible solution. Deshmukh tried make considerable point of fact India has sold monazite to United States and argued quantities in that case much greater than now involved in China shipment. Embassy replied these matters very complicated from technical point of view and argument could be pursued indefinitely about strategic difference 500 tons monazite against one ton thorium nitrate. However, fact was thorium nitrate was extremely strategic commodity undoubtedly wanted for military ends and in any case absolutely prohibited under Battle Act for shipment in any quantity. Deshmukh assented this position in his view reasonable.

Interview concluded with reciprocal expressions hope that outcome no matter what it might prove to be would be accepted in dignity and without unjustified reciprocal recriminations.

ALLEN

---

[2] The reference is to the U.S.–India technical cooperation agreement of Jan. 5, 1952. See the editorial note, p. 1633.

493.919/7–2853 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET PRIORITY NEW DELHI, July 28, 1953—10 p. m.

209. I called on Prime Minister Nehru at 6 p. m. today, accompanied by Loftus, to discuss thorium nitrate shipment to China. After reviewing facts (about which there has been no dispute at any stage), I said I wished to emphasize seriousness of situation created by this shipment. I said I would not be carrying out my responsibilities if I did not bring it to his attention in most friendly and straightforward manner.

Nehru said he had just reviewed dossier and was quite clear that even if GOI wished to do so, it could take no action now to recover present shipment, which had already been paid for and was on foreign ship in foreign port. He added that even if GOI could take such action, political consequences, both internally and in relations between India and China, would be so serious as to render it impossible.

Nehru stated categorically and with some vehemence that India had never and would never submit to derogation of its national sovereignty in permitting United States law to determine with whom and in what commodities India could trade. I pointed out that the American Government had transmitted copy of Battle Act to GOI on December 17, 1951 and that technical cooperation agreement between India and US was signed on January 5, 1952. Consequently India had been fully aware of terms under which aid could be granted at time agreement was signed. I added that on several occasions during the past 18 months Embassy officers had discussed provisions of Battle Act with Indian authorities and that as recently as February 25, 1953 we had sent further formal note to India [1] stating that Act remained in full force and specifically pointing out that there had been no change in items in Category A. Nehru replied that India had never agreed to attachment of political strings to aid and repeated that he could not accept the conditions of Battle Act as binding on India.

I said I had every respect and sympathy for sovereignty of India but that every nation which received US aid had accepted terms of Battle Act. Loftus said he was not aware that any other nation had ever regarded Battle Act as infringement of its sovereignty. I remarked that any international agreement between two sovereign nations involved some voluntary limitation on their freedom of action.

Loftus reviewed history of discussions with GOI on Battle Act, pointing out that early conversations had led us to believe that GOI understood our legal position just as we understood their difficulties in taking overt statutory action, therefore, we had proceeded in good faith, relying on our understanding that India would meet the requirements of Battle Act by administrative action. Nehru said that evidently there had been a misunderstanding on this point.

Nehru asked whether signature of truce in Korea had made any difference in operation of Battle Act. I said it had not. He remarked that many people in Europe felt peace could be advanced by extending trade. He agreed with this view, although he was aware that some felt otherwise.

I asked whether authorities who had permitted this shipment had been aware of 1–A list at time they issued permit. He said he did not know. As far as he personally was concerned, it was not brought to his attention. He could not say what other officers involved may have considered.

Nehru summarized discussion by saying that two questions were involved. (1) What to do about the present shipment, and (2) what could be done about the future. As regards (1), he reiterated that nothing could be done. As regards (2), he referred to failure of GOI to reach agreement with US Atomic Energy Committee on purchase of thorium

[1] Not printed.

nitrate but said GOI was still ready to discuss with US question of disposal of commodities of this kind and was prepared to cooperate broadly in this field. He specified, however, that India would never be willing to give guarantee with regards to disposal of its commerce.

I said I would report this statement to my government, and that whatever consequences might follow, I would for my part, deal with resulting situation in dignity and friendship. He smiled, said "of course" and conversation terminated.

ALLEN

493.919/7–2953 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

SECRET NEW DELHI, July 29, 1953—7 p. m.

215. Re Embtels 190, July 25 [2] and 192, July 26. Embassy has received note dated July 29 from MEA in reply Embassy's note July 25, stating small shipment of thorium nitrate made to China with permission GOI; that consignment of thorium nitrate already paid for and ownership passed other hands; and GOI thus not in position to "offload this consignment or to deal with it in any other way at this stage".

In conversations today between Pillai and myself and between Mani and Drumright, both MEA officials stressed small quantity thorium nitrate involved, desire of GOI to sell thorium nitrate to US Government, and hinted GOI prepared carry out effective administrative controls strategic material but not in position give open commitment.

ALLEN

[1] This telegram was repeated to London as telegram 25, to Colombo as telegram 10, to Singapore as telegram 7, and to Hong Kong as telegram 6.

[2] See footnote 1 to telegram 192, p. 1697.

493.919/7–2953 : Telegram

The Secretary of State to the Embassy in India [1]

SECRET PRIORITY WASHINGTON, July 30, 1953—6:43 p. m.

116. FYI. Department concerned deteriorating trend our relations GOI in broad context need to continue aid in support economic progress and India's role in Korea (Embtel 209).[2] On basis indication in Embtel 215 [3] that GOI may be prepared carry out effective administrative controls, US Government exploring all possible means avoiding aid termination this single transaction. Consideration also being

[1] This telegram was drafted by Kennedy of SOA and was signed by Under Secretary of State Smith.

[2] Dated July 28, p. 1700.

[3] *Supra.*

given on urgent basis possibility US purchase exportable quantity thorium nitrate. End FYI.

In your discretion suggest you indicate informally GOI officials that you sympathize their difficulties, that you sure Washington studying all aspects problem with great care, that you hope meanwhile they will find it possible carry out effective administrative controls shipments strategic materials in accord oral assurances by Bajpai (Embtels 215 and 4279 of May 17, 1952).[4]

DULLES

[4] Telegram 4279 from New Delhi, May 17, 1952, not printed, is in Department of State file 400.919/5–1752.

493.919/7–3153

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) and the Assistant Secretary of State for Economic Affairs (Waugh) to the Under Secretary of State (Smith)[1]

SECRET [WASHINGTON,] July 31, 1953.

Subject: Shipment by India to Communist China of Item Embargoed Under Battle Act

Problem:

To determine course of action most in accord with national interest in dealing with situation in which India has sold and shipped to Communist China, on a Polish boat now leaving Ceylon for Taku Bar, 1 or 2 tons of thorium nitrate, an atomic energy material, listed as an item on the Category A List under Title I of the Battle Act.

Recommendation:

1. That, on the basis of the facts reported, and in the expectation of adequate assurances respecting future shipments, the determination be made that this shipment was not "knowingly permitted" by the Government of India, within the meaning of the Battle Act, and, hence, that no violation calling for the termination of aid has occurred;

2. That you urge Mr. Stassen, as Administrator of the Battle Act, to agree to this approach in principle and at the appropriate time to ask the President to approve his findings and his construction of the law as applied to this case, and subsequently to advise the appropriate members of Congress, informally and on a strictly secret basis, of the occurrence, the determination reached under the law, the rationale of

[1] This memorandum was drafted by Kennedy of SOA and by Louis W. Goodkind, Chief of the Economic Defense Staff of the Office of Economic Defense and Trade Policy. It also had the concurrences of Jack B. Tate, the Deputy Legal Adviser, and of R. Gordon Arneson, Special Assistant to the Secretary of State for Atomic Energy Affairs.

such determination, and the reasons for choosing that course of action;

3. That, in aid of obtaining the above assurances, the U.S. promptly resume [2] and conclude negotiations with India to purchase thorium nitrate, at a reasonable premium if necessary.

Discussion:

The Polish ship SS *Mickiewicz*, which is about to leave Colombo, carries about two tons of thorium nitrate sold to Communist China by Indian Rare Earths Limited and licensed for export by the GOI. The shipment has been paid for and title has passed from Indian hands. When approached by Ambassador Allen, Prime Minister Nehru said it was impossible to take action to recover this shipment and added if he could do so, political consequences, both internally and in India's relations with China, would render such action impossible. (As a matter of fact, following our initial representations, GOI, through the Bombay Customs authorities, ordered the ship's agents to offload the thorium in Colombo; the agents refused on ground cargo had been legally released and GOI had no basis for interfering with the shipment.) As a result, the USG is now faced with a decision as to whether or not to terminate aid since thorium nitrate is included in the Title I Category A List of the Battle Act, which provides for termination if any recipient country knowingly permits the export of items listed.

The available evidence provides a basis for concluding that this shipment could be classed as not knowingly permitted. Deshmukh, Finance Minister, had stated that he did not participate in the decision to issue the license and asked if it would be possible for the U.S. to accept assurances as to the future. R. K. Nehru, Foreign Secretary, has asserted that he had not been aware of the full implications of the Battle Act and that the Prime Minister had not been appraised of those implications. Bhatnagar, Member-Secretary of India's Atomic Energy Commission, stated he knew nothing of the transaction and that the shipment had been made against his express orders. Officials of the Ministry of External Affairs have given some indication that GOI is prepared to carry out effective administrative controls over shipments of strategic materials, but as in the past cannot consider a written or public commitment.

Although an atomic energy source material, thorium also has widespread, ordinary commercial uses, such as incorporation in incandescent gas mantles, ceramic products, photographic films, plates and papers, etc. While we do not know specifically the identity of the con-

---

[2] The United States and India earlier in the year had conducted negotiations regarding possible extensive U.S. purchases of Indian thorium nitrate. The effort failed, however, over the issue of price. Documentation regarding these negotiations is in Department of State file 891.2546.

signee nor the exact intended end-use of this shipment, there is strong probability that the material will be used for innocent commercial purposes. In 1948, Chinese firms producing gas mantles required thorium nitrate in quantities estimated between 500 and 5,000 pounds per year. On the other hand should the material be destined for atomic energy research either in Communist China or, via trans-shipment, in the USSR, the quantity involved, according to the U.S. AEC, is relatively insignificant from a production standpoint.

Political considerations strongly support our taking the position that the present shipment is not in violation of the provisions of the Battle Act. Termination of aid would constitute a major blow to the possibility of India's reaching its Five-Year Plan goals, a political as well as economic necessity. Re-establishment of aid under the Battle Act might well be impossible because of the more formal nature of assurances which would be necessary. On the other hand it is a reasonable possibility to expect continued effective control by administrative means which, with the exception of the current instance, has worked well in the past. In general it would be a major political loss to have a sharply downward trend in US-Indian relations. This would be especially unfortunate for us at this time because of the key position India will occupy as Chairman of the Neutral Nations Repatriation Commission.

U.S. domestic political considerations present the real difficulty in making the suggested findings. If the shipment becomes public knowledge the Administration no doubt will have to face up to substantial criticism from some quarters because atomic items are particularly sensitive ones in trade with communist countries.

The plan for the future involves a re-affirmation by GOI of their agreement to exercise effective administrative controls to prevent future shipments of strategic materials to Communist countries and the purchase by the U.S. of surplus supplies of thorium nitrate and possibly of some portion of the available rare earths in India. Discussions within the Executive Branch are already well under way in connection with determining the means of carrying through on the latter point.

453.919/8–153 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET PRIORITY NEW DELHI, August 1, 1953—5 p. m.

243. Deptel 116, July 30. I called on Pillai today to say that while I had not yet received instructions in thorium nitrate case, I had word that Department was actively studying matter. I was passing this on to

him merely to keep him *au courant* and to say that while I did not know what aspects were being studied, I felt confident that one important consideration with my government would be clear indication whether Washington was likely to be faced with another problem of this kind next week, next month, or next year. I told Pillai that I sympathized with GOI difficulties and hoped he similarly understood our problems. I said any assurance Indian authorities could let me have to pass on to Washington that there would be no similar occurrences in future would be most helpful.

He expressed appreciation for my remarks and said he would talk to Bhatnagar and others immediately. He hoped to let me have definite word Monday or Tuesday.

I repeated that Washington would want to be very clear that similar case would not arise again and that it might be necessary for me to have further talk with Prime Minister at appropriate time. I referred with appreciation to Prime Minister's expression of willingness to "cooperate broadly" and mentioned his reference to previous misunderstanding regarding respective positions of our governments. I said we should all try to avoid any further misunderstanding on any level. Pillai agreed.

Comment: Key members of my staff and I, including Drumright, Loftus, Willson and Corry, have given considerable thought to this problem. We would like to suggest most earnest review in Washington of possibilities of purchasing Indian thorium nitrate. Corry estimates entire annual output of processing plant at no more than $500,000. Since our aid figure this year will be between $75 and 90 million, could we not use less than 1 percent of that amount to purchase this output. India infant processing industries should be supported. Use of funds for purchase would be concrete example of trade not aid. While I am aware that repercussions elsewhere may create complications, we shall find it increasingly difficult to sustain position on denying trade with iron curtain countries unless we show some willingness to purchase ourselves. This is especially true as regards this specific commodity in India, which consumes small parts of its output and must seek outside buyers.

ALLEN

493.918/8–353 : Telegram

The Acting Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, August 3, 1953—7 : 56 p. m.

128. Eyes only for Ambassador. We are trying in every possible way

[1] This telegram was drafted and signed by Under Secretary of State Smith.

to work out a solution to the problem imposed on us by the thorium nitrate shipment and the mandatory provisions of the Battle Act. It is only this specific single shipment which causes us difficulty since informal commitments have already been received from the Atomic Energy Commission and FOA to purchase the annual production of thorium nitrate from India for at least a year, paying such price as is necessary, although it is hoped that some reduction in the direction of the current world price could be obtained from India. With regard to the shipment now at sea it is hoped, although there is no assurance of this fact, that FOA can be persuaded to accept some official statement, possibly by Pillai, to permit a decision on our part that the shipment of the thorium was not "knowingly permitted" within meaning of the Battle Act. So far the FOA authorities have been unwilling to do this and a decision on the highest level may be necessary with no assurance that it will be forthcoming. The only alternative of course is to cancel aid to India and renegotiate, with all of the difficulties inherent in this line of action. I am not by any means certain, however, that we will be able to avoid doing this and you should carefully prepare the way should this become necessary.

In the meantime request information as matter of urgency whether Pillai or similar official would be prepared to make official statement along following lines: (1) That recent shipment to China was intended for commercial purposes and not for atomic energy uses and that key officials unaware thorium nitrate was on prohibited list of Battle Act with related effect on continuation aid, and (2) that positive assurances will be given for administrative action to prevent future shipment to prohibited destination items on List I Battle Act. In return US prepared (1) give assurance there would be no release of above, although it should be understood might be necessary advise certain members of Congress in confidence, and (2) reopen negotiations US purchase thorium nitrate on basis suggested by Bhatnagar as reported Embtel 202, July 27.[2]

I know you have already made clear to Nehru and others that we are trying as hard as possible to help India without any infringement of her sovereignty and that we are confronted with a mandatory law in this country from which there is no escape. Matter has had Secretary Dulles' personal attention prior to his departure and is now being handled personally by me. Since he knows me, Nehru should understand that we will go to great lengths to avoid even temporary

[2] Not printed; the Embassy informed the Department that Bhatnagar had suggested the Department should urge the Atomic Energy Commission to resume negotiations with India but to offer better terms than previously for a contract obligating the United States to make extensive purchases of Indian thorium nitrate over the long term as a way to prevent a repetition of this type of episode (493.919/7-2753).

cessation of aid or for its early reestablishment in the event the operation of our mandatory law makes cancellation necessary.[3]

SMITH

[3] Ambassador Allen informed the Department in New Delhi telegram 253, Aug. 5, not printed, that Pillai had been provided with the suggestions set forth in the Department's 128. Pillai confirmed the fact that the shipment to China of thorium nitrate was for commercial use; that Prime Minister Nehru had personally authorized the shipment; and that Pillai agreed that positive assurances for the future would depend largely on whether phraseology could be found which would take into account India's concern for her sovereignty and U.S. concern for the implementation of the Battle Act. Ambassador Allen informed the Department that he was attempting to draft letters which he and Pillai could sign, subject to the approval of Under Secretary Smith and Prime Minister Nehru. (493.918/8–553)

493.918/8–1053 : Telegram

The Ambassador in India (Allen) to the Department of State

TOP SECRET NEW DELHI, August 10, 1953—11 a. m.

276. Eyes only Acting Secretary. Re Embtel 253, August 5.[1] Following is draft of letter I presented to Pillai Friday, August 7, which might serve as basis for handling thorium nitrate case. Comment follows in immediately succeeding telegram.

"I refer to the exchange of notes between our two governments with respect to the recent shipment of thorium nitrate from India to China. In order to deal in a practical manner with the issues raised by this shipment, I would welcome your confirmation, on behalf of your government, of the following understanding which has been reached as a result of discussions in this case:

"1. The Government of the US recognizes the sovereign right of the Government of India to trade with whom it pleases and in what commodities. Flowing from its sovereign prerogatives is the right of India voluntarily to restrict its trade in certain commodities, for reasons considered good and sufficient by the Government of India or to refuse such limitation.

"2. The Government of India, for its part, recognizes fully the sovereign right of the Government of the US to grant or withhold its financial assistance to India on the basis of India's decisions with regard to its trade in strategic materials to destinations considered inimical to the interests of the US or to the interests of collective security.

"3. The recent shipment to China was intended for commercial purposes and not for atomic energy uses. Key officials who authorized the shipment did not "knowingly permit" it in the sense that at the time of shipment they were not aware of its related effect on the continuation of US aid. (The foregoing is intended as a factual statement and does not concern hypothetical questions relating to the action which might have been taken if the full consequences with regard to aid had been realized.)

[1] See footnote 3, *supra*.

"4. The Government of India agrees, for reasons which it considers to be good and sufficient, that further shipments of the items on list I of the Battle Act will not be made to prohibited destinations.

"5. The Government of the US agrees to reopen negotiations for the purchases by the US of thorium nitrate from India on the basis suggested by Dr. S. S. Bhatnagar in discussions with Mr. John Loftus on July 27.[2]

"Your confirmation of the foregoing understanding will constitute a basis on which our two governments will proceed until either government wishes to adopt a different basis." [2]

ALLEN

[2] See footnote 2, *supra*.

[2] Ambassador Allen informed the Department in New Delhi telegram 288, Aug. 11, not printed, that when he handed the draft letter to Pillai, he told Pillai he had drafted it in such a fashion in order that both governments could defend any arrangements agreed upon from criticism. Pillai asked for 3 or 4 days to consult the appropriate members of his government, and he said that paragraph 4 would constitute the chief problem for India. (493.918/8–1153)

493.918/8–1353 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, August 13, 1953—9 p. m.

310. For Under Secretary. Your telegram 128, August 3 and Embtels 276 August 10 and 288, August 11.[1]

I asked Pillai today if he had anything to tell me re thorium nitrate case. He replied he had been thinking matter over and had come to conclusion it would be preferable not to present suggested statement to Prime Minister. He said that while Nehru was anxious to maintain good relations with US, we should bear in mind GOI "is young and perhaps supersensitive re its sovereignty". He said well established and strong governments like US and those of Western Europe could make agreements which GOI would find impossible to enter into. He was afraid Prime Minister might make rash decision if confronted with draft, leaving no room for negotiation. Pillai said he understood from my report of your instruction of August 3 that you did not necessarily have in mind exchange of written documents and he hoped oral understanding could be worked out.

ALLEN

[1] See footnote 3, *supra*.

493.918/8–1353 : Telegram

The Secretary of State to the Embassy in India [1]

TOP SECRET WASHINGTON, August 13, 1953—6:33 p. m.

170. Eyes only for Amb. Allen. After studying draft in your 276 I

[1] This telegram was drafted by Under Secretary of State Smith and was signed by Jeffrey C. Kitchen, Deputy Director of the Executive Secretariat.

am even more impressed with importance of assurances you undertake to cover in paragraph 4. I realize that you have gone to great lengths to make clear to the Government of India the extremely difficult situation in which we have been placed by shipments of thorium nitrate, which I now understand to be somewhat in excess of two tons. With all possible good will on our part and with the greatest possible concern for avoiding any implication of interference with the sovereign right of India to control her trade and the management of her internal and external affairs, the fact remains that we are confronted with a drastic provision of our own law and are seeking a solution which will meet both considerations. I doubt if the Government of India is even now fully aware of the difficulties this imposes upon us. For example, the regulations of the Atomic Energy Commission provide that anyone within the U.S. possessing more than one pound of thorium nitrate must report it to the Commission. No one in U.S. may transfer more than one pound of this mineral or export any quantity however small from the U.S. without a license from the Commission. For these reasons we place great stress on receipt from Government of India of assurances outlined draft (Embtel 276) and I believe that your phrasing of paragraph 3 is the absolute minimum which would enable me to find a way out of the present situation. Certainly any future shipments would leave us with no alternative whatever. My estimate is that if you are able informally to negotiate the assurances you have requested from the Indian Government, Stassen and I will be able to deal with the instant case. You can proceed with these negotiations on the basis that prior to formal receipt of the assurances requested the determination will be made as to whether the shipments were "knowingly permitted" and the Government of India informed of that determination. At the same time we will reopen negotiations for the purchase of India's entire production of thorium nitrate.

I realize you were informed of the above during my absence in Korea, but the situation has developed more fully while I was away and since my return I have reviewed the correspondence and realize even more fully the gravity of the problem.[2]

DULLES

---

[2] Ambassador Allen reported in New Delhi telegram 331, Aug. 15, not printed, that he had read pertinent portions of Department telegram 170 to Pillai, who was impressed by the rigidity of U.S. regulations regarding thorium nitrate, and again expressed his anger that Indian officials had pressed Prime Minister Nehru into permitting this shipment (493.918/8–1553).

493.918/8–1453 : Telegram

The Ambassador in India (Allen) to the Department of State

TOP SECRET PRIORITY NEW DELHI, August 14, 1953—6 p. m.

318. Eyes only for the Secretary. Embassy's telegram 310, Au-

gust 13. I have come reluctantly to conclusion that even aside from Battle Act, we should insist on clear cut statement by Government of India at this time, recognizing that acceptance of US aid involves obligations on part of India. During first meeting I had with Deshmukh, he referred to US aid as "coming from US capital surplus, which US must export". When I discussed thorium nitrate case with him July 25, I mentioned that all governments requesting aid from US accepted certain limitations in connection therewith. Deshmukh denied that India had ever requested US grants of assistance. This point of view not only plays directly into hands of Soviet accusations that US aid is being forced on reluctant recipients, but also encourages Indians to think US aid is solely at US request and for US convenience.

I should add that Deshmukh is probably most reasonable and understanding GOI official in Cabinet on subject of American aid.

At start of our aid program here, it would have been preferable, in my judgment, if we had insisted (as we did in Yugoslavia) on clear-cut request by GOI for our assistance. Instead, we skirted around question of request and agreed to Indian position that GOI merely let us know, in answer to our inquiries, how much GOI lacked in funds to complete five-year plan, but was not asking anybody for anything. One can understand Indian motives, but we might have foreseen what difficulties this positon would lead us into. I believe continuation of this essentially dishonest fiction would be fraud on American people as well as continue to place US-Indian relations on false and therefore unsound basis.

As regards Battle Act, record is clear that we relied, unwisely, on informal assurances from one or two GOI officials that no strategic materials were being shipped to prohibited areas. Machinery was never set up in GOI to carry out these assurances, and Prime Minister Nehru now categorically states, perhaps justifiably, that we were mistaken if we understood such arrangements existed. We would be foolish in my view to rely on informal assurances again, even if given by Nehru himself, which he has indicated clearly he cannot give.

I think it unlikely that GOI will make clear-cut statement re aid, and that my recommendation, if followed, will therefore presumably result in termination of assistance. This would have especially serious repercussions at present moment in view of Kashmir situation. Nevertheless, I believe we can ride out the storm with calmness, patience and dignity and that long-term result will be sounder and eventually more friendly basis for US-Indian relations.[1]

ALLEN

[1] In response to New Delhi telegram 318, the Department, on Aug. 15, in telegram 184, not printed, agreed with Ambassador Allen on the need for clear-cut assurances from the Government of India and believed that those Allen had

Footnote continued on following page.

213-752 O - 83 Vol XI - Pt. 2 - 42

493.918/8–1453

Memorandum by the Under Secretary of State (Smith) to the President

TOP SECRET EYES ONLY [WASHINGTON,] August 18, 1953.

I believe this telegram is worth your reading.[1] We are working out the immediate problem in connection with the thorium nitrate shipments in accordance with your decision, although the necessary assurances from India have not yet been forthcoming. It is the second part of the message which seems particularly important. Allen is usually an accurate and objective reporter and if he is right in this case, as I am inclined to think he is, it may well be that we have gone past the point of diminishing returns in several areas. I can't forget that we made all sorts of diplomatic efforts to persuade Burma not to reject our assistance but, having taken that action, she seems to be just as well off and our relations, if anything, are better. Foster has not seen this message but we talked about the general subject of "diminishing returns" before he left, and have started a pretty thorough and careful study of the matter which will be tied in with the final Solarium Plan [2] and will be ready for consideration by the Council sometime after you return.

W[ALTER] B. S[MITH]

Footnote continued from preceding page.
already sought represented the minimum the United States could accept. Therefore, the Ambassador was instructed to continue his efforts to obtain these assurances. And Ambassador Allen was informed that the Department was greatly impressed by his general observations about the U.S. position on aid to India and invited him to advance any further views on the subject. (791.5 MSP/8–1553)

[1] The telegram to which Under Secretary Smith was referring was New Delhi telegram 318, Aug. 14, 1953, *supra*.

[2] For documentation regarding the Solarium Plan, see volume II.

791.5 MSP/8–2053

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Acting Secretary of State and the Deputy Under Secretary of State (Matthews)[1]

TOP SECRET [WASHINGTON,] August 20, 1953.

Subject: Background Relating to Aid to India

Ambassador Allen has questioned the basis of US aid to India (Embtel 318) (Tab A)[2] and by implication has concluded that the US should receive a clear-cut request for our assistance. I have had the

---

[1] This memorandum was drafted by Kennedy of SOA.

[2] Dated Aug. 14, p. 1710.

record examined (attached Tab B)[3] and the following information appears relevant:

1. On May 25, 1951 Prime Minister Nehru informed our Chargé that India needed US aid and that he was most anxious to have it.
2. On December 19, 1951 Ambassador Sen, in the course of presenting his credentials to the President, stated that India needed assistance for the success of the Five Year Plan and expressed the hope that India might have the cooperation of the US.
3. Each of the early Point IV project agreements signed under the General Agreement on December 28, 1950[4] referred to the request of the Government of India for the specified assistance. The subsequent project agreements under the Indo-American Technical Cooperation Agreement of January 5, 1952[5] did not continue this language, but this later agreement was supplemental to and a continuation of the earlier one; the whole climate of negotiations was one of need and desire on the part of India for US aid.
4. From time to time India's desire for US economic aid has been expressed by such high officials as Sir Rama Rau, Governor of the Reserve Bank of India, and Sir Girja Bajpai, Secretary General for External Affairs.

It is worth noting also that high Indian officials have on several occasions publicly expressed gratification over our assistance. The President of India, Rajendra Prasad, said in Parliament on February 6, 1952: "I welcome the agreement with the US for aid amounting to $50 million for development projects. I should like to express my special gratification for these projects which are particularly meant to encourage food production and the development of community schemes . . ."

While a formal request for US economic and technical aid in the form of a diplomatic note has not been made, the above record would seem to substantiate that India desires and in reality has asked for such aid.

I am informed that no TCA country requested aid by formal diplomatic note, and there was no request for such note.

Recommendation:

That you sign the attached telegram to Ambassador Allen giving the above background. (Tab C)[6]

---

[3] Tab B, a "Paper on US Economic Aid to India", is not printed.
[4] For the text, see TIAS No. 2185, printed in 2 UST 425.
[5] See the editorial note, p. 1633.
[6] The draft telegram at Tab C was transmitted to New Delhi as Department telegram 212, Aug. 21, 1953, *infra*.
Before this memorandum was submitted to Under Secretary Smith, Jeffrey C. Kitchen, the Deputy Director of the Executive Secretariat, appended a note for Under Secretary Smith which explained that the purpose of this telegram was "to gently get Ambassador Allen back on the track with regard to the question of U.S. aid to India. Although NEA agrees that the examples cited of Indian requests for U.S. aid are all oral or informal, it nevertheless believes that this is no time to rock the boat regarding our Indian Aid Program by asking for a formal request."

791.5 MSP/8–2153 : Telegram

The Acting Secretary of State to the Embassy in India [1]

TOP SECRET WASHINGTON, August 21, 1953—7:10 p. m.

212. Limit distribution. Urtel 318 [2] raises certain questions re basis of US aid to India which led me have careful review this matter. A survey has been prepared which is being air pouched but the following points might be helpful for your immediate information:

1. On May 25, 1951 Prime Minister Nehru informed our Chargé that India needed US aid and that he was most anxious to have it.

2. On December 19, 1951 Ambassador Sen, in the course of presenting his credentials to the President, stated that India needed assistance for the success of the Five Year Plan and expressed the hope that India might have cooperation of the US.

3. Each of the early Point IV project agreements signed under the General Agreement on December 28, 1950 [3] referred to the request of the Government of India for the specified assistance. The subsequent project agreements under the Indo-American Technical Cooperation Agreement of January 5, 1952 [4] did not continue this language, but this later agreement was supplemental to and a continuation of the earlier one; the whole climate of negotiations was one of need and desire on the part of India for US aid.

4. From time to time India's desire for US economic aid has been expressed by such high officials as Sir Rama Rau, Governor of the Reserve Bank of India, and Sir Girja Bajpai, Secretary General for External Affairs.

5. No formal request for aid received from any country under TCA program.

Would appreciate your comment as to whether above does not substantiate belief India has in fact requested aid. Might be unwise in light of passage of time and Indian sensibilities now to require formal written request. Advantages this further step not clear especially when contrasted likely antagonistic Indian reaction.

Assume you are proceeding urgently obtain necessary assurances (Deptel 184).[5]

SMITH

---

[1] This telegram was drafted by Kennedy of SOA and was signed by Under Secretary Smith.

[2] Dated Aug. 14, p. 1710.

[3] See footnote 4, *supra*.

[4] See the editorial note, p. 1633.

[5] See footnote 1, p. 1711.

493.919/8–2653 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, August 25, 1953—3 p. m.

390. For the Secretary. During conversation with Nehru yesterday I referred to thorium nitrate case, stating that we recognized GOI sov-

creign right to trade where it pleased and GOI naturally recognized our right to grant or withhold aid. Nehru nodded his assent.

I then asked whether he would be willing, in interest of committee and friendly relations, to let us know in advance if at anytime India decided to exercise its sovereign right to trade with Communist countries in commodities barred by Battle Act. Nehru said with reference to past thorium shipment, that when he approved export license, it was merely one of dozens of matters he had had to handle in course of one day, that he had attached no particular significance to it and was greatly surprised at terrific consequences which had resulted. As regards future, he said GOI did not operate secretly or in vacuum and was always glad to consult with other powers on matters of mutual concern. He could not say that India could undertake to consult with us re every export application among hundreds which might bear in some way on items named in embracive provisions of Battle Act.

I said what I would like to be able to report to Washington was his assurance that any deliberate decision by GOI to exercise its sovereign right to ship strategic commodities to barred areas would be made known to us in advance, in all frankness and friendliness, for the sake of comity and maintenance of good relations.

Nehru stared at ceiling for full minute, smiled, turned to Ambassador Donovan, who was present, and asked if he had ever been to Thailand before.

Pillai has asked me to come to see him this afternoon on this case.

ALLEN

493.919/8–2753 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, August 27, 1953—5 p. m.

402. For the Secretary. I had long discussion with Pillai yesterday at his request re thorium nitrate. He said he had discussed subject several times with Deshmukh but had not yet taken it up with Prime Minister for several reasons, chiefly to await outcome of Korean conference and other pending questions "in order not to have too many quarrels with US presented to Nehru at one time".

Pillai said he would tell me in all friendliness that both he and Deshmukh felt genuinely that we are being somewhat harsher on India in this matter than we had been with some other countries receiving aid who had also traded in strategic materials and who had been left with a warning not to do it again.

He said GOI would much prefer, for purely economic reasons aside from other considerations, that any exports of fissionable materials go to US or Western world and GOI had demonstrated this by sell-

ing US monazite despite its publicly announced policy of not exporting these sands.

He emphasized that it would be impossible for Indian Government to give a written commitment restricting its sovereignty with respect to trade since there was possibility in leakage of any written document. He thought we would have to make our own decision whether this one shipment was "knowingly permitted" and let future take care of itself, cutting off aid if further shipments of this kind took place.

As regards possibility of leakage, I said I did not like to approach problem with point of view of reaching clandestine solution, although I realized need for secrecy where atomic materials were concerned. I would prefer to reach basic understanding on principles involved which would be mutually acceptable to both countries and which could be published to world, if necessary, in dignity and self respect. I thought this only sure basis for solid, friendly relations.

I told Pillai about my conversation yesterday with Nehru (Embtel 390, August 26 [*25*]) and emphasized that I must have something helpful to report to Washington embracing at least an assurance by India that GOI would let us know in advance if it decided to trade in banned commodities. I said I did not want my staff to have to continually pour over export statistics, cargo manifests, etc., in effort to ferret out information re India's trade. Pillai expressed emphatic concurrence and said he personally saw no difficulty in giving us such assurance and would work along this line, talking it over with Deshmukh and probably presenting matter to Prime Minister within next few days. He might wish further talk with me before doing so.

Comment: Present case has had salutary effect of bringing Battle Act in most prominent and acute manner to attention of every Indian official concerned, all of whom are now fully aware that any further shipment of barred items could not be passed off as not knowingly permitted and would, therefore, result in automatic termination of aid.

Considerations presented in Deptel 212 August 21 are impressive evidence that India has requested our aid. I am inclined to think chief difficulty in past has been general tendency to press our aid on India and some wishful thinking on our part re requests received and assurances obtained. I now believe this aspect is being taken care of by a basic shift in our point of view from one of encouraging Indians to ask for aid to one of insistence that every Indian request either for technicians or programs be carefully screened to be certain that all branches of GOI concerned, including Prime Minister himself when appropriate, are genuinely and strongly in favor of request. This change is already having some effect on Indian thinking, particularly in overcoming criticism, still current, that we are pressing our technicians on India.

I would welcome further thoughts and suggestions from Department in light of these latest discussions with Nehru and Pillai.

ALLEN

493.919/9–353 : Telegram

The Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, September 3, 1953—7 : 37 p. m.

253. Personal for Ambassador Allen. I have been considering possible effects of terminating aid to India because of shipment thorium nitrate to Communist China and have come to conclusion would be very unfortunate do so. In addition to probable effect on mutual understanding and regard are the other unfortunate results which would likely take place in connection with discussions of Asian problems, UN debates and resolutions, and India's work as chairman NNRC. In fact we are likely in position, as result recent vote in UN on India's participation in Korean political conference, that our action in terminating aid would be interpreted as punitive not only in India but also elsewhere.

In addition we could not expect resumption of aid within the foreseeable future because at least as positive and probably more specific assurances from India than those now acceptable would have to be obtained before aid could be reinstituted. Furthermore the whole matter would have to be made public including receipt of assurances, if not before at least as part of President's report to Congress on Battle Act. If India will not now give the minimum of private assurances to prevent termination I do not see how we could expect later negotiation to produce even more acceptable assurances. With no resumption of aid in sight we would find ourselves in rather untenable position of believing increased stability in India as very much to our interest but not being able to do anything about it. The boost to the communist propaganda line in India and the rest of Asia would certainly be very great.

I believe your tel 402 [2] shows the way out and authorize you approach Pillai with following:

1. The statement already received to effect that two tons of thorium nitrate were shipped only for commercial purposes and that policy officers GOI were not aware of implications of this with respect to aid is helpful and may meet part of difficulty.

2. Something more is necessary however since it would be wasted effort unless we have understanding as to future. To meet this part of problem would he (Pillai) be able to say to you orally something like following: "The GOI of course has right to trade with anyone it pleases. For this reason it cannot accept the Battle Act as binding it to any action. I can say however that there is at present no basis on which to anticipate shipment of Battle Act commodities to prohibited

---

[1] This telegram was drafted by Kennedy of SOA and was signed by the Secretary of State.

[2] *Supra.*

destinations and no intent to arrange for such shipment. I will be glad to let you (Allen) know if there is any change in the situation."

3. If Pillai indicates he is prepared to say this to you you may respond that you will recommend to your Government that this be accepted as meeting requirements of US. It is your belief however that another occurrence could not be worked out in this fashion.

If your discussion with Pillai indicates that this would be a possible basis for agreement you should arrange for him to let you know in advance that he is prepared to proceed with the statement in order that you may communicate with us the exact understanding. We will then be in position to make necessary recommendations and obtain final concurrences here. This will then enable you respond to Pillai's oral statement by indicating that we are accepting it as satisfactory.

FYI only. This has been discussed with Stassen and he is prepared to accept above provided arrangement for purchase entire exportable surplus thorium nitrate by US is reached in order that we be on firm ground for future. (Present thinking is along line of paying $2.75 per pound thorium nitrate as indicated acceptable by Bhatnagar in Embtel 202.[3] Method of working this out to protect AEC's price structure still under discussion. One possibility would be to make premium above AEC's price available to GOI in rupees generated by FOA surplus commodity provision. This question under continuing study.) Stassen would in this circumstance join with me in making appropriate recommendations. End FYI.

Re Pillai's reference to harsher treatment (para 2 Embtel 402) you may tell him that you have queried Department and are assured there has been no other case of shipment of category IA items to prohibited destination.

With respect to US purchase of thorium nitrate you may say that US is interested and prepared continue negotiations basis Embassy's discussions with Bhatnagar July 27. (Embtel 202.)

DULLES

[3] Not printed; see footnote 2, p. 1707.

411.919/9–853: Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, September 8, 1953—6 p. m.

453. Reference Deptel 253, September 3. Bhatnagar called on TCA Director Willson today to say he was anxious to reopen negotiations for sale of entire thorium nitrate output to United States. He said he had recently received inquiries from USSR and China and is anxious to be in position to reply to all such inquiries that all production has been sold. He said he could sell small amounts to Britain, Russia, China

and elsewhere at $4 to $5 per ton but he much preferred to sell it all to United States. He stressed his pro-American attitude and declared he remained so 100 percent.

Willson said he would report this conversation to me. He added that he understood I was in conversation with Pillai on general question thorium shipments. Bhatnagar said he understood general problem had been cleared up. Willson said he was not informed if this were true.

Comment: We have avoided raising question of thorium purchases with Bhatnagar pending solution of general problem but are pleased he has taken initiative. Both Willson and Corry are confident Bhatnagar is playing square with us and believe his vagaries in past have resulted from effort to obtain good price. Bhatnagar mentioned to Willson today that Indians had paid $3.05 for United States' thorium nitrate. His implication was he considered this would be fair price for us to pay.

Corry thinks we should be prepared to go as high as $3 if necessary but make initial offer of $2.75.

I hope we can act promptly on Bhatnagar request. This would assist in negotiations on larger question. I have asked to see Pillai tomorrow on general question. Your telegram under reference is most helpful.

ALLEN

493.919/9–953 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, September 9, 1953—8 p. m.

462. Urtel 253, September 3. I have just had very satisfactory talk with Pillai re thorium nitrate. He said he had discussed with Prime Minister Nehru my suggestion that GOI agree to give us advance notification of any future decision to ship barred commodities, and that Nehru had asked him to let me know that while GOI had no desire to carry on trade behind our backs or in furtive manner, he was concerned over length of items which might be listed under category 1–B. He did not think it feasible to undertake assurances covering perhaps scores of items, some of which Indian authorities might not know were included. Nehru said he could assure US that no "marked change" would be made in India's trade policy without advance notification to US.

Referring to his (Pillai's) impression (Embtel 402, August 27) that India was being treated more severely than other countries, I said this thorium nitrate shipment was only case involving category A items which had ever arisen. Pillai said he had not been aware of this fact and could understand difficulty created, in view of mandatory nature of Battle Act. He then volunteered to ask Prime Minister to agree to

give US firm assurances that not one ounce of any category A item would be shipped without advance notification to US and that we would also be notified in advance if any "marked change" was decided upon in India's general trade policy.

I pointed out, with reference to category B items, that we knew that India had shipped certain amounts of mica to Communist areas during past year, that world-wide bids had recently been invited for 27,000 tons of steel scrap, and that a few tires were being smuggled into Tibet through Sikhim. Of these items, I said we felt mica to be the most serious.

Pillai said he would look into these items and would talk with Prime Minister again re assurances.

Comment: I gained impression that Nehru now desires to meet our wishes in this matter and hopes satisfactory formula can be reached.

ALLEN

411.919/9–853 : Telegram

The Acting Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, September 15, 1953—11 : 41 a. m.

287. US Govt prepared make following arrangements as basis for purchase thorium nitrate. Embtel 456.[2]

1. *Price*

$2.75 per pound. Embassy telegram 202 [3] indicates Bhatnagar willing accept this. AEC will pay $2.20 per pound for mantle grade thorium nitrate containing at least 46% thorium oxide, and contract will have to be on that basis. Premium of $.55 will have to be made available to GOI on some other basis as described below.

2. *Quantity*

GOI commit total amount available for export up to 135 tons. This based on Bhatnagar's figure of plant output at full production 210 tons of which 135 tons exportable. Do not anticipate Trombay plant in full production for one to two years. Imports from France should be modest and therefore their inclusion not important problem. GOI should undertake not to increase its export availability in any unusual manner; i.e. in way not now contemplated.

3. *Length contract*

Two years from date contract or delivery 135 tons whichever comes soonest.

---

[1] This telegram was drafted by Fluker and Kennedy of SOA and was signed by Acting Secretary of State Smith.

[2] Dated Sept. 8, p. 1718.

[3] Not printed; see footnote 2, p. 1707.

4. *Renewal*

Contract may provide for renewal on such terms and conditions as are mutually agreed upon.

5. *Method of payment*

Payment would be in two parts. Important that AEC price structure for thorium nitrate be protected so that contracts with other suppliers are not upset. This means that AEC would contract at $2.20 per pound delivered NY. All other payment arrangements will be separate and apart from AEC contract. Following alternatives provide for payment of additional amount estimated at $167,000 on basis of 135 tons and Emb given discretion as to which to use:

(*a*) Rupee grant under FOA–GOI agreement for purpose scientific and industrial research; rupees might be derived from sale of surplus commodities in India under Section 550. Although this grant would be subject usual procedures FOA operations it is assumed that its provisions would meet Bhatnagar's desires and be in accord his wishes.

(*b*) Dollar grant as in (*a*) instead of rupee grant. Under this arrangement Bhatnagar through GOI channels might specify US equipment he desires. Under both (*a*) and (*b*) grant for first year would be made at beginning of contract on basis realistic estimate thorium nitrate deliveries. Balance of grant would be made at end of contract to adjust to final total.

(*c*) Option agreement to purchase rare earth compounds produced in India for which we would pay $167 thousand. Sole purpose of option would be to give Bhatnagar equivalent of $2.75 for thorium nitrate and this should be made clear.

6. *Approach to Bhatnagar*

Believe that you should await Pillai's informal indication he prepared to give oral assurances re shipment Battle Act commodities (paragraph 2 Deptel 253)[4] before discussing above with Bhatnagar. If in your opinion however some indication to Bhatnagar that US ready to proceed when way open will help expedite Pillai action, you may do so. When discussions are opened you should attempt arrive at basis of understanding which would be set forth in memorandum and transmitted Washington. If, to reach agreement, it becomes necessary, you have discretion to increase the premium up to $.80 per pound thus making the over-all price $3.00 per pound. (This would make additional sum of $242,000 over $2.20 price.) On basis this memo understanding we would send you AEC contract for signing at $2.20 per pound and instruct FOA/FID to undertake necessary additional agreement. Emb should not raise question Bhatnagar's coming Washington for negotiations but if he makes issue of coming, you may indicate concurrence.

---

[4] Dated Sept. 8, p. 1717.

FYI. Agreement re purchase thorium nitrate not to be reached until Battle Act assurances in hand and in this regard Pillai proposal Embtel 462 [5] does not appear to meet position set forth in Deptel 253. End FYI.

SMITH

[5] *Supra.*

411.919/9–1853 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, September 18, 1953—4 p. m.

512. Re Deptel 287, September 15. I have given Pillai pencilled slip of paper, as coming from me, containing suggestion for oral statement he might make to me on Battle Act shipments which I could recommend to Washington (Deptel 253 September 3); Pillai tells me he is seeing Prime Minister Nehru September 20 on this subject and hopes to obtain favorable answer. He believes Nehru will approve statement if we can change phrase in third sentence of section in quotes in reference telegram from "Battle Act commodities" to "strategic commodities which we have been discussing". Since Battle Act is specifically mentioned in preceding sentence, I believe reference is clear enough and hope we can accept this change.

I did not mention negotiations for purchase thorium nitrate, believing it preferable to get general question out of way first.

ALLEN

411.919/9–1853 : Telegram

The Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, September 23, 1953—11:08 a.m.

332. Embtel 512.[2] Fear here that suggested change in referenced third sentence liable to misinterpretation as referring only to specific commodities you have discussed with GOI. Suggest alternative language: (1) In Embtel 512 substitute language in quotes insert phrase "including those" after "commodities" and before clause beginning "which" or (2) In referenced third sentence Deptel 253,[3] substitute "strategic" in lieu of "Battle Act." Either amendment acceptable here; if unacceptable GOI Department will attempt work out additional language to indicate that statement involves the broad range of strategic commodities.

DULLES

[1] This telegram was drafted by Fluker of SOA and was signed by Kennedy.
[2] *Supra.*
[3] Dated Sept. 3, p. 1717.

411.919/9–2653 : Telegram

The Ambassador in India (Allen) to the Department of State

TOP SECRET NEW DELHI, September 26, 1953—3 p. m.

554. Re Deptel 332 of September 23. Pillai asked me to call today for further discussion on Battle Act. He said he had found it necessary to have further talks with Indian officials before taking matter to Prime Minister again and had found situation was even more difficult than he had thought. He said GOI had no export controls over some commodities included under category 1B and that such controls as existed were obviously inadequate since some shipments of mica, scrap iron etc. were being made.

In view of existing situation, he said it would be dishonest for GOI to state that it had no present intention of permitting shipments any category 1B items, although actual amount of trade was small. He thought 1A items presented no difficulty, since no shipments were being made or contemplated. As regards our request for prior notification of any change in situation, Pillai did not believe Prime Minister Nehru could agree to this. Pillai pointed out, however, that we could ask him or other GOI officials at any time and as frequently as we wished about the matter and they would answer us readily and frankly.

Pillai emphasized that thorium nitrate case had served to ventilate subject of Battle Act thoroughly among senior GOI officials and consequently had brought Battle Act provisions prominently to the attention of all GOI officials concerned. He hoped very much we could let matter rest with that at least for few months. He urged that we not press GOI too strongly on this issue in order not to weaken his hand and hands of other GOI officials genuinely working for a solution of this matter.

Comment: It seems clear that no general declaration or commitment can be obtained from GOI at present time covering categories A and B of Battle Act. Pillai is correct in stating that no commodities under mandatory list A are being shipped and exports of list B items are not significant. If our purchase of thorium nitrate is consummated we need have no concern about category A items. I believe Pillai is genuinely doing his best to find a mutually acceptable solution.

I hope finding can be made now that thorium nitrate shipment in question was not "knowingly permitted," and that we can get this case off the books. It is well understood that any further shipments of category A items would result in termination of aid. Any cases which may arise under list B would be handled on *ad hoc* basis.

I should add that some sentiment is arising in GOI that acceptance of American aid creates more difficulties than it solves and that GOI

would be well advised to declare unilaterally that it does not desire our further assistance. This point of view may find some expression during forthcoming Colombo Plan Conference.

ALLEN

611.91/10–753

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade)

SECRET [WASHINGTON,] October 7, 1953.

Subject: Meeting between Ambassador Mehta of India and the Secretary on Tuesday, October 6th at 12:00 noon.

Participants: Ambassador Mehta
Secretary Dulles
Mr. Byroade

Ambassador Mehta of India called upon the Secretary on October 6th at his own request for a general discussion of US-Indian relations.

Mehta opened the conversation by stating that many of the long-range aspects of the above problem would be discussed this week in a seminar in Washington and he would therefore only take the Secretary's time in dealing with more immediate problems. He stated that he was greatly concerned at the apparent deterioration in US-Indian relations. He felt that the officials who worked on matters such as Korea fully understood the US position. They might not in all cases agree with the US, which he thought relatively unimportant, but he was certain that they understood our views, which was the more important element. What he was more concerned about was the uninformed public opinion in both the US and India. He stated that he was often embarrassed in this country by being asked questions such as "Why is India pro-Communist"? He reported that the reponsible Indian press had turned predominantly anti-American—and he felt that there was considerable feeling in India that America really did not want peace. There was also wide belief that Rhee was the puppet of the United States and would obey our wish if we told him to do so. Mehta said he realized these things were untrue; that the Communists have been given very fruitful lines in India and he was worried about the results. Communist propaganda also plays the line that India would be ignored by the US in any matters of importance because they could count upon the Latin American votes in the United Nations to outvote the Indian position.

Mehta stated that Nehru was most reluctant to undertake India's present mission in Korea and has done so only because he felt that India could not shirk this responsibility. Nehru had been greatly pleased with his talks with Dulles in Delhi and he knew there was no

change of heart so far as Nehru was concerned since those talks.[1] He reported Rhee's attitude that everything that went wrong now in Korea was the fault of the Indians was most unfortunate. He stated that he believed the Swedes and the Swiss were convinced that the Indians were attempting to do the right thing. He stated that Nehru's concern that others would be quick to blame India for being biased had caused him to pick a military official to head their mission in Korea. He felt that the Indian Army and the officials in charge were in fact completely non-biased and that the political advisers assigned to them also held no prejudice or bias. Mehta concluded by saying that he was searching for some way to correct the deterioration of public opinion in our two countries and wished to be helpful in any way he possibly could in this task.

The Secretary stated he appreciated Mehta's calling upon this problem. He stated that he has personally never had any idea that the Government of India was communist inspired and had expressed that view whenever the opportunity presented itself. He realized that the circumstances under which India had been placed lead the Indian Government to deal with the Communist issue on a different basis from that of the United States. Whether India was right or not was not for us to judge as we did not consider that we should know better than Nehru how to handle affairs in his own country.

The Secretary added that it must be frankly recognized that the methods India has chosen, regardless of its merits or possible advantages or disadvantages would inevitably not have popular appeal in this country. We can do very little to change or guide popular impressions. The United States believes in stronger methods in dealing with Communism than does India—and the somewhat neutral or middle-road could not be popular. The Secretary added that he did not mean that the thinking people of India were really neutral—they were trying to be more neutral in deeds than in spirit. He recalled a similar period in our history when President Wilson appealed to the United States people to be neutral in spirit as well as in deeds as regards the first portion of the first World War. This position made us extremely unpopular in Europe.

The Secretary stated that the difficulty was partly due to the fact that Indian citizens, conscious of their own ideals and purposes, were naturally hurt when they were misrepresented. This seems inevitable for all who operate in the World arena. The Secretary drew upon his own experience in public life and of his own feeling when his purposes were misrepresented. We as a Nation do not like to have our attitude misrepresented in India. The Secretary added that he felt general

[1] The reference is to Secretary of State Dulles' and Mutual Security Administrator Stassen's trip to the Near and Middle East May 9–29, 1953, during the course of which they visited India May 20–22. For extensive documentation regarding this trip, see volume IX.

deterioration was unfortunate but not overly serious as popularity of Nations quickly change and as long as there was no real divergence of interests between the United States and India, the matter would correct itself with time. The Ambassador agreed that he thought this was the case.

The Secretary then dealt at length upon the actual situation we have faced in Korea. He stated that he had personally adopted our position on India only after a visit to Korea. He was convinced that the most important thing for the entire world, including India, was to prevent war from breaking out again—which could only lead to a major disaster of a type not easy to define or foresee. We have been faced with one of two choices. One course appeared to us to have a reasonable chance of success in Korea at a price which made us unpopular in India. The other choice would probably be popular in India and end up with no control over Rhee. We felt we could not adopt both courses at once. The Secretary stated he believed that if India knew more about the actual problems we have faced in Korea they would be less critical of the choice we had made.

The conversation ended with the Secretary again expressing appreciation that Mehta had called to discuss this subject as it gave a possibility of both sides understanding each other better.

493.919/10–753

Memorandum by the Deputy Assistant Secretary of State for Economic Affairs (Kalijarvi) to the Secretary of State[1]

SECRET [WASHINGTON,] October 7, 1953.

Subject: The Indian Thorium Nitrate Matter

Attached for your approval is a telegram to New Delhi instructing the Embassy to open up negotiations for the purchase of the Indians' future thorium nitrate production. (Tab A)[2] You will recall that the Department had previously intended to defer the negotiations of this contract until other issues had been settled, that is, whether it would be necessary to terminate aid to India because of the previous shipment of thorium nitrate, and whether the Indians could give us adequate general assurances with respect to the future shipment of strategic goods. We understand, on the basis of the attached memorandum of your conversation with Mr. Stassen (Tab B),[3] that he would prefer

[1] This memorandum was drafted by Raymond Vernon, Deputy Director of the Office of Economic Defense and Trade Policy.

[2] Not printed; this draft became Department telegram 388 to New Delhi, Oct. 8 (493.919/9–353).

[3] Not printed; according to Secretary Dulles' memorandum of conversation with Stassen, dated Oct. 5, Stassen indicated he wanted a contract covering the future output of Indian thorium nitrate. He did "not think that India should be *obligated* to accept the Battle Act." (493.919/10–753)

that the contract relating to the future output of thorium nitrate be negotiated before these larger issues are finally settled. The attached telegram, in effect, instructs our Embassy in New Delhi to proceed along the lines which Mr. Stassen appears to have indicated to you.

411.919/10–1453 : Telegram

The Chargé in India (Mills) to the Department of State

SECRET NEW DELHI, October 14, 1953—7 p. m.

633. No distribution.

1. Conformable Deptel 388, October 8.[1] I informed Pillai October 13 Embassy authorized resume negotiations for thorium nitrate purchase arrangement immediately. He named Bhatnagar Indian negotiator and I named Corry.

2. Same afternoon Corry began talks with Bhatnagar pursuant line Department telegram 287, September 15. Bhatnagar's response cordial but indicated he could not persuade Indian Rare Earths Limited accept less than $3 per pound (see sentence 4 paragraph 7 Embtel 263, August 6).[2] He said $3.25 represents Bha Bha's [3] rock-bottom price but Bhatnagar hopes induce Bha Bha and Board of India Rare Earths accept $3 if US offers. Corry exhibited great reluctance go so high (but would accept it, if found necessary, as permitted by instruction in penultimate paragraph Deptel 287). Bhatnagar seemed receptive to method of payment sketched in 5*b* in reference telegram. Asked for several days to think through and suggested Corry and he prepare memorandum for him to present next week to Indian Rare Earths Limited. Corry agreed this procedure.[4]

MILLS

[1] Not printed; see footnote 2, *supra*.

[2] Not printed; sentence 4 of paragraph 7 read as follows: "[Bhatnagar] Mentioned $3 per pound as his price." (493.919/8–653)

[3] The reference is to Dr. H. J. Bhabha, Chairman of the Indian Atomic Energy Commission.

[4] Despatch 686 from New Delhi, Oct. 15, 1953, not printed, contained memoranda of Mills' conversation with Pillai and Corry's conversation with Bhatnagar (891.2546/10–1553).

891.2546/11–1753 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET PRIORITY NEW DELHI, November 17, 1953—6 p. m.

788. Reference Thorium Nitrate New Delhi Despatch 749, October 27.[1]

[1] Not printed; in this despatch the Embassy in New Delhi transmitted to the Department a copy of the memorandum dated Oct. 14, 1953, which had been prepared by Andrew V. Corry and Dr. S. S. Bhatnagar outlining the terms and conditions which would apply if the U.S. Government agreed to purchase Indian thorium nitrate. (891.2546/10–2753)

213-752 O - 83 Vol XI - Pt. 2 - 43

1. Indians strongly desirous consummate thorium deal with us, but claim their inability supply at less than $3.50 per pound. They, therefore, offer counter-proposal, to supply say 162 to 180 long tons thorium sulphate at $2.50 per pound.

2. Verbatim text their counter-proposal as quoted in agreed minutes.

"It is expected that when the Trombay Plant of the Indian Atomic Energy Commission goes into operation about 180 tons of thorium sulphate will be available per annum as surplus after meeting requirements of thorium nitrate for Gas Mantle Industry. One and two-tenths pounds this thorium sulphate needed to produce one pound thorium nitrate of gas mantle quality of superior grade, viz., 48 percent THO 2 not 46 percent. Listed sales show it would not be possible Government of India sell thorium nitrate this quality at under $3.50 per pound. But, in effort to bridge gap between United States offer of $3.00, and Indian minimum limit, Bhabha and Bhatnagar put up counter-proposal. They suggested it would be possible for Government of India to sell the surplus thorium sulphate at $2.50 per pound, the sulphate being of such quality that 1.2 pounds of it would suffice to produce one pound thorium nitrate 48 percent THO 2 quality. On this basis, total sum involved would amount to approximately $1,008,000. If desired to reduce this sum to approximately $907,000, the Indian Atomic Energy Commission would be prepared reduce amount sulphate sold proportionately and stockpile rest."

3. Minerals Attaché Corry, has been energetic and effective in these negotiations and resultant counter-proposal is, I believe, fair and reasonable to both sides. I hope it will be accepted, thus immunizing this trouble-breeding Indian resource for a year or more.

ALLEN

891.2546/11–1753 : Telegram

The Secretary of State to the Embassy in India[1]

SECRET WASHINGTON, November 23, 1953—5:52 p. m.

556. Re Embtel 788, November 17. In considering thorium sulphate proposal, AEC requires information regarding chemical analysis of material which would be supplied, and its processing history, i.e., material used at start of process and subsequent processing procedures.

Our consideration whole problem would be greatly facilitated by more precise information as to kind of thorium compounds and quantities likely be actually available for purchase during next two years. Evidently, Trombay plant will not commence operations in next year or fifteen months. Presumably, material now, repeat now, available is thorium nitrate produced in France from Indian monazite.

[1] This telegram was drafted by J. B. Hamilton, staff member to R. Gordon Arneson, the Special Assistant to the Secretary of State for Atomic Energy Affairs, and it was signed by Arneson.

FYI, while AEC willing consider thorium sulphate, much prefers nitrate. Price of $3.50 will present great, possibly insuperable, difficulty. In face of recent clear indication that $3.00 or $2.75 per pound would be acceptable, Department sees no reason for upward revision now.

As possible resolution price dilemma, Embassy might attempt determine discreetly whether there will be some partially processed, non-commercial thorium-bearing substance which might be available from Indian processing operation and which might be priced satisfactorily both sides. End FYI.

DULLES

891.2546/12-153 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET PRIORITY NEW DELHI, December 1, 1953—6 p. m.

847. To questions raised paragraphs one and two Deptel 556, November 23, (Indian thorium sulphate proposals) Bhabha's and Bhatnagar's joint reply received today reads verbatim:

1. "The raw material used is Indian monazite. The subsequent processing involves removal of rare-earth elements and uranium, leaving a fairly pure thorium sulphate analyzing as follows: Thorium 42 and 44 percent; thoria/total oxides 96.5 to 98 percent; phosphorous pentoxide/thoria 0.05 percent (approximately). When Trombay plant goes into operation approximately 180 tons of thorium sulphate of composition shown above will be available for sale to US Government per annum."

"The chemicals used in treatment of monazite are caustic soda, hydrochloric acid, sulphuric acid, and small amounts of hydrofluoric acid. In producing the thorium nitrate from the sulphate, nitric acid and ammonia are used in addition to some of the above-mentioned chemicals."

2. Re Department's comments in paragraph one reference telegram, Bhatnagar told Corry today (*a*) India has about 20 tons only of the material in France. Rest was made at Alwaye (Travancore). (*b*) He expects Trombay plant ready commence operating "within six months".

3. Re final paragraph reference telegram, Embassy made discreet inquiry and learned Indians unwilling sell partially-processed, non-commercial thorium-bearing substance for reasons implicit second sentence paragraph one above. (Indians intend keep uranium here till own requirements satisfied, save under most exceptional circumstances such as involved in offer of uranium ore to France for heavy water, and uranium substance to US for heavy water.) Re Department suggestion in paragraph under reference, Indians making us their best

offer as means of trying satisfy both sides price-wise, viz., thorium sulfate of grade indicated herein at $2.50 per pound.

4. Re paragraph one Department's airgram 173, November 10,[1] Embassy has made no reference whatever to uranium in these thorium sulphate negotiations because present talks have no connection with heavy water and uranium discussions which Indians held with USAEC in Washington in June. Embassy guided this position by Deptel 333, September 23.[2]

5. Re paragraph two reference airgram, Embassy informed Bhatnagar about points noted. Bhatnagar told Corry today that analysis given in paragraph one this telegram clearly indicates that amounts aluminum and titanium present "negligible".

6. Embassy desirous if possible to expedite the negotiations and would appreciate Department's instructions.[3]

ALLEN

[1] Not printed. (891.2546/10–1553)
[2] Not printed. (891.2546/9–2353)
[3] On Dec. 29, 1953, the Department replied in telegram 749, not printed, that it had not responded to Embassy telegram 847 due to the complexity of arranging the necessary administrative arrangements (891.2546/12–153).

033.1100 NI/12–453 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

CONFIDENTIAL NEW DELHI, December 4, 1953—2 p. m.

873. Visit of Vice President Nixon to India [2] has been well-timed and has contributed notably to our prestige in India and to better understanding of our respective points of view Indians have consistently favored high-level discussions among great powers and have quietly yearned to be included. Mr. Nixon's presence here and heavy schedule he has followed have fitted in admirably with Indian desire to be consulted on world and particularly oriental problems.

Fact that his visit coincided with reports of US military aid to Pakistan [3] and renewed blasts by President Rhee against Indian troops have not made his contacts with Indians easier but timing has nevertheless served to emphasize that we desire to hear Indian views on these subjects and that we are not acting from malice.

Public reception of Vice President in Bangalore was unprecedented for any foreign visitor in recent memory, with most of city's populace lining streets and cheering on way from airport. Vice President and

[1] This telegram was repeated to Karachi as telegram 101.
[2] Vice President Richard M. Nixon was in India Nov. 29–Dec. 4, 1953, as part of his goodwill trip to the Far East and South Asia. Extensive documentation regarding this trip is in Department of State file 033.1100 NI.
[3] For documentation regarding the granting of United States military aid to Pakistan, see pp. 1818 ff. and volume IX.

Mrs. Nixon stopped at crowded intersection, shook hundreds of outstretched hands, and Vice President made short speech from auto. His reference to President Eisenhower brought enthusiastic cheers from crowd. Reception at Delhi airport by Indian school children, foreign diplomats and others was also warm and friendly. Welcome by villagers on his tour to Sonepat community project yesterday astonished old-time press correspondents.

In after dinner speech at Bangalore on day of arrival, he set tone of his remarks in India, which was that US had no desire to interfere in internal affairs of any country, including USSR and China, and that our only concern was to assure peace and independence of nations faced with threat of aggression. This has served to reassure Indians who have felt US could think only in terms of military solution to world problems.

Vice President's private talks with Indian leaders such as Rajagopalachari, Hanumanthaiya, Radhakrishnan and Nehru have all been frank yet cordial. India and US points of differences remain, but I do not believe we could hope for any more beneficial results to be obtained from single visit.

ALLEN

791.00/1–1254 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, January 12, 1954—7 p. m.

1092. Re Deptel 799 January 9.[1] Embassy believes Bishop Pickett's fears of increased antagonism against American missionaries if US grants military aid to Pakistan[2] are justified. However, we do not think situation is likely to get out of hand and squeeze on missionaries will be gradual rather than precipitate.

Bishop Pickett maintains close contact with Rajkumari Amrit Kaur, Minister of Health and only Christian in Cabinet. Possibility exists that she may be using Pickett as channel to put pressure on US Government against Pakistan aid.

Department is doubtless aware that all foreign evangelical activity in India is destined to feel steadily increased pressure. If aid to Pakistan were not taken as excuse, some other issue would be found. As India nationalism becomes increasingly ascendant, foreign efforts to convert Moslems and Hindus to Christianity will be more and more resented. Since western missionaries came to India during British

[1] Not printed; the Department requested that the Embassy in New Delhi estimate how great an increase in antagonism there would be toward American missionaries if the decision were made to provide U.S. military aid to Pakistan. The Embassy was also asked to evaluate reports of plans of attempts on Nehru's life and to provide its views on the likelihood of communal outbreaks stimulated by right-wing extremists. (791.00/1–754)

[2] For documentation regarding the granting of U.S. military aid to Pakistan, see pp. 1818 ff. and volume IX.

rule, Indians by and large connect our missionaries with foreign domination despite best efforts of missionaries to counteract this attitude. Opposition is against proselytizing and not against medical and educational mission activity.

During 8 months I have been here, American missionaries have not once called on Embassy for official intervention and prefer to stand on their own record. I have intervened twice on my own initiative, once on behalf Jesuit Fathers at Nirmalt College and once for Protestant Pastor in Delhi. Practically all of 4,000 American missionary communities are strongly opposed to US military aid to Pakistan and worried over consequences to them but they have not requested any intervention on their personal behalf.

It should be pointed out that private American charitable foundations, such as Ford and Rockefeller, are well regarded and, appear to be in no danger unless anti-American feeling gets completely out of hand, which Embassy does not expect.

I may add that MRA movement, which does not demand renunciation of previous religious affiliation, continues to receive support here. Leadership is largely in Indian hands and movement is consistently not regarded as alien or unpatriotic.

Reports of threats against Nehru are difficult to evaluate. Such reports have been frequent since 1947 and Indian CID is, of course, constantly on alert. He refuses to limit his public appearances before large crowds and would be easy target. Communal outbreaks are possible at time aid is announced, but they are likely to be short-lived.

Embassy believes GOI is fully alive to situation but we are passing on pertinent reports. I have received usual run of letters containing personal threats, some of which have been passed on to MEA.

I am advising Americans here to act with calmness and continued friendliness towards our Indian contacts and to ignore to extent possible anti-American indications. Great majority of our Indian contacts talk to us more in sorrow than anger and we have not experienced difficulties in our personal relationships, nor do I expect we shall.

ALLEN

891.2546/11–1453: Telegram

The Secretary of State to the Embassy in India[1]

SECRET PRIORITY WASHINGTON, January 16, 1954—12:25 p. m.

841. Deptel 287,[2] Embtel 788,[3] Deptel 556[4] and Embdes 848.[5] This

[1] This telegram was drafted by Fluker of SOA, Hamilton of S/AE, and by K. Hansen of FOA, and it was signed by Samuel C. Waugh, Assistant Secretary of State for Economic Affairs.

[2] Dated Sept. 15, p. 1720.

[3] Dated Nov. 17, p. 1727.

[4] Dated Nov. 23, p. 1728.

[5] Not printed. (891.2546/11–1453)

telegram supplements and modifies as appropriate instructions Deptel 287.

A. Begin FYI. Difficulties have arisen here regarding entrance of AEC into this contract directly with GOI. Now GSA will enter into contract at $2.20 per pound (using FOA funds) with internal US arrangement for AEC to take over at US port. GSA contract will contain details standard AEC contract.

B. Washington review of sulphate counterproposal and general situation leads us to following conclusions re points at issue:

1. Contract should be in terms thorium nitrate. Since this is commercial product, existing knowledge of specifications and methods of handling would make for cleaner-cut arrangement which important in view need for speedy conclusion. Uncertainty as to cost additional processing of thorium sulphate to put it in usable form might result in higher total cost to US. Because of uncertain cost factors AEC able to pay only $1.10 per pound sulphate. This would result in higher premium than for nitrate and also produce undesirable situation in which premium higher than contract price.

2. Indian proposal for sale of sulphate raises point basic to purpose of contract, i.e., arrangement whereby India will be committed sell all exportable thorium compounds to US. Emphasis on thorium nitrate was in belief it only saleable thorium compound and that GOI aware our desire help in GOI problem of necessary disposal sensitive material. Arrangements therefore should cover all thorium compounds by requiring conversion to thorium nitrate so as to preclude possibility of direct or indirect export any other thorium-bearing substances to destinations interdicted by Battle Act. See D (1) below.

3. If Indian conversion ratio correct, offer of 180 tons sulphate annually equals 150 tons nitrate when plant in full production. On basis very rough estimate that 20 tons nitrate now available, that perhaps as much as 60 tons additional might become available from Indian controlled production next year before Trombay plant comes into production, and that India will have as much as 150 tons exportable thorium nitrate in first full year Trombay operation (which might fall in second year of proposed two-year contract), previous two-year contract ceiling of 135 tons should be raised to 230 tons. If Embassy believes estimate 230 tons seriously out of line, should inform Washington soonest with revised estimate and reason therefor, otherwise Embassy should proceed on basis 230 tons or any slightly reduced tonnage deemed appropriate by Embassy without further reference this question to Washington.

4. The Indian demand for $3.50 per pound for thorium nitrate should be met by increasing the premium through the dollar grant and without increasing the $2.20 per pound figure in the GSA contract. Purpose of going to $3.50 immediately is to stop further haggling on price which might also permit GOI open discussion on other points. As indicated Deptel 287 paragraph 5 GSA $2.20 price is delivered New York and US acceptance of $3.50 per pound price is of course on same basis.

5. In view (*a*) desirability making FOA premium dollar grant in one lump subject to normal FOA–GOI project agreement expenditure procedures and (*b*) possibility GOI might not for several reasons

deliver amount thorium nitrate estimated in contract period, GSA two-year contract should provide that in event full amount not shipped within two-year period of contract GSA at its option may purchase up to balance contract amount from first thorium nitrate available for sale abroad. End FYI.

C. You should proceed immediately to secure a Memorandum of Commitment (this title deemed preferable to term "Memorandum of Agreement" mentioned in Despatch 848 enclosure 1 page 1 paragraph 2 which liable interpretation that it is International Agreement requiring publication). This should facilitate negotiations by commitment GOI and US to signing three types documents noted below. Memorandum should commit Governments to:

1. GSA contract for up to 230 tons thorium nitrate (see paragraph B 3 above) as outlined previous communications and B 5 above.

2. An exchange of letters which supplements GSA contract and makes following points:

(*a*) (According B 3 above) Premium of $1.30 per pound will be provided in form of regular TCM/I project agreement for scientific and industrial research. This amount ($669,760 in case of 230 long tons estimate) to be administered under normal project agreement procedures and therefore should be based on most realistic estimate two-year availability thorium nitrate. This amount will be additional to amounts otherwise available in US economic and technical aid to India in FY 1954. FYI reference above premium will be taken from funds other than Sections 302 (*a*) and (*b*) of Mutual Security Act of 1951, as amended. Entire amounts programmed under these two sections have not been finally apportioned (Usfoto 472).[6] End FYI. Since difficulties this regard may arise, stress should be laid on fact that other funds being used for this project of scientific and industrial research.

(*b*) GOI will undertake to sell to the US under the terms of the contract and exchange of letters all thorium-bearing materials at the disposal, and surplus to the internal requirements, of India, and such materials shall be made available in the form of thorium nitrate of the required specifications.

(*c*) Except for production from proposed Trombay plant, the GOI shall undertake not to increase above present levels the quantities of thorium-bearing materials at its disposal.

(*d*) Intent of total arrangement involving the GSA contract, project agreement and this exchange of letters is to offer GOI a reasonable market for its exportable supplies thorium-bearing materials under arrangement which will make all such materials available to US in form of thorium nitrate and which will further aid India in its scientific and industrial research. (Desire Ambassador to work out best method of making point to Pillai that purpose of arrangement is to assist GOI avoid situations involving Battle Act.)

---

[6] Not found in Department of State files.

3. Project agreement involving US grant in dollars of $669,760, should be prepared and signed in usual fashion by US and Indian representatives for Indo-American Technical Cooperation.

D. Regarding Indian questions Despatch 848 enclosure 1 page 4:[7] (1) Department unable understand meaning of term "established customers" in light of relatively recent availability of exportable Indian thorium nitrate. In any case recently reported shipments through Polychemia (London) indicate advisability restricting shipments to US, in GOI's own interest. GOI should be told therefore all thorium compounds up to amount specified be made available to US. (2) US does not intend sell during period of this contract material furnished by India under the contract.

E. Begin FYI. Conclusion of contract and fact that potential explosiveness total situation appears be increasing with passage of time point to advisability not pressing further discussions on additional Battle Act assurances. Agree your indication Battle Act problems and commodities have been given thorough airing throughout top GOI officialdom (Embtels 554[8] and 570[9]) and that quite possible GOI sensitivities and internal political situation would preclude their going on record with firm assurances. Believe that, in this situation, US may well attain its objectives by putting matter squarely in hands of GOI with implication moral responsibility to effect control over Battle Act items. End FYI.

GSA contract will follow. Desire Embassy cable developments. This necessary in course Washington deliberation on final steps total Indian Battle Act problem.

DULLES

[7] The two questions raised by the Indian negotiators, as detailed in New Delhi despatch 848, page 4 of enclosure 1, read as follows:

"(1) Whether the United States would object to the Indians' exporting limited amounts to established customers in the United Kingdom, Belgium, and other 'approved consignees.'

"(2) Whether the United States would sell, or attempt to sell, the material India would furnish under the proposed contract." (891.2546/11-1453)

[8] Dated Sept. 26, p. 1723.

[9] Not printed. (493.919/10-153)

Presidential Correspondence, lot 66 D 204, "Eisenhower/Dulles Correspondence . . ."[1]

The Acting Secretary of State to the Embassy in India[2]

TOP SECRET WASHINGTON, February 18, 1954—2:04 p. m.

992. There follows final text personal message from President to Nehru, replacing text in Deptel 859 to New Delhi.[3] Hold for delivery

[1] The complete folder title reads as follows: "Eisenhower/Dulles Correspondence with Prime Minister Nehru 1953-1961".

[2] This telegram was drafted by Byroade of NEA and Kennedy of SOA. Byroade signed it.

[3] Not printed. (780.5/1-2054)

instructions. We now anticipate delivery time to be about February 23 or 24 on basis Pakistan public announcement of request for aid on February 22.[4]

Verbatim text. I send you this personal message because I want you to know about my decision to extend military aid to Pakistan before it is public knowledge and also because I want you to know directly from me that this step does not in any way affect the friendship we feel for India. Quite the contrary. We will continually strive to strengthen the warm and enduring friendship between our two countries.

Our two Governments have agreed that our desires for peace are in accord. It has also been understood that if our interpretation of existing circumstances and our belief in how to achieve our goals differ, it is the right and duty of sovereign nations to make their own decisions. Having studied long and carefully the problem of opposing possible aggression in the Middle East, I believe that consultation between Pakistan and Turkey about security problems will serve the interests not only of Pakistan and Turkey but also of the whole free world. Improvement in Pakistan's defensive capability will also serve these interests and it is for this reason that our aid will be given. This Government's views on this subject are elaborated in a public statement I will release, a copy of which Ambassador Allen will give you.

What we are proposing to do, and what Pakistan is agreeing to, is not directed in any way against India. And I am confirming publicly that if our aid to any country, including Pakistan, is directed against another in aggression, I will undertake immediate action both within and without the UN to thwart such aggression. I believe the Pakistan–Turkey collaboration agreement which is being discussed is sound evidence of the defensive purposes which both countries have in mind.

I know that you and your Government are keenly aware of the need for economic progress as a prime requisite for stability and strength. This Government has extended assistance to India in recognition of this fact, and I am recommending to Congress a continuation of economic and technical aid for this reason. We also believe it in the interest of the free world that India have a strong military defense capability and have admired the effective way your Government has administered your military establishment. If your Government should conclude that circumstances require military aid of a type contemplated by our mutual security legislation, please be assured that your request would receive my most sympathetic consideration.

I regret that there has been such widespread and unfounded speculation on this subject. Now that the facts are known, I hope that the real import of our decision will be understood. *End verbatim text.*

Corrections in draft text President's public statement (Deptel 857)[5] in reply to Pakistan's request for military aid in following telegram. Corrected draft now final and copy should be given Nehru same time personal message is delivered.

SMITH

---

[4] For documentation regarding the granting of U.S. military aid to Pakistan, see pp. 1818 ff. and volume IX.

[5] Not printed. (780.5/1–2054)

Presidential Correspondence, lot 66 D 204, "Eisenhower/Dulles Correspondence . . ." [1]

The Secretary of State to the Embassy in India [2]

TOP SECRET WASHINGTON, February 20, 1954—3:48 p. m.

1005. Re Deptel 992.[3] Make following changes text President's personal message to Nehru:

1. Delete second sentence paragraph 3 beginning "And I am confirming publicly . . . " and substitute following verbatim: "And I am confirming publicly that if our aid to any country, including Pakistan, is misused and directed against another in aggression I will undertake immediately, in accordance with my constitutional authority, appropriate action both within and without the UN to thwart such aggression."

2. Delete "substantial" in second sentence paragraph 4 re Embtel 1325 [4] on basis President's public reply to Pakistan request for aid will be released February 25.[5] Deliver President's personal message February 24.

Department believes useful to release text President's personal message after delivery and issuance President's public statement. Would appreciate your view on desirability this action.

DULLES

---

[1] The complete folder title reads as follows: "Eisenhower/Dulles Correspondence with Prime Minister Nehru 1953–1961".

[2] This telegram was drafted by Kennedy of SOA and was approved by Byroade.

[3] *Supra.*

[4] Not printed; the Embassy in New Delhi in telegram 1325, Feb. 20, suggested that since the purpose of President Eisenhower's letter to Prime Minister Nehru was to inform him of the decision to grant U.S. military aid to Pakistan before this decision became public, the Embassy recommended that the public statement not be issued until Feb. 25 instead of Feb. 24 (790D.5 MSP/2–2054).

[5] President Eisenhower's public reply to the Pakistani request for military aid was released by the White House, along with the text of the President's letter of Feb. 24 to Prime Minister Nehru, on Feb. 25. For the text of the President's response, see the Department of State *Bulletin*, Mar. 15, 1954, p. 401.

611.91/2–2454 : Telegram

The Ambassador in India (Allen) to the Department of State [1]

CONFIDENTIAL PRIORITY NEW DELHI, February 24, 1954—3 p. m.

1342. At my meeting with Nehru at 11 a. m. today, I opened conversation by remarking that he and I had had to discuss many differences of policy between our two governments, but that we had not had to consider one on which wider divergence had been publicly expressed than question I wished to take up today. I wanted to repeat, as on previous occasions, that whatever differences between our two

---

[1] This telegram was repeated to London as telegram 236 and to Karachi as telegram 176.

governments might be, our hand would always be extended to India in dignity and friendship, as long as India chose to accept it.

I then stated that President Eisenhower would announce publicly at noon tomorrow Washington time his decision to grant military aid to Pakistan. I said President desired me to deliver personal letter to him prior to this announcement, to make it clear that this action was in no way designed against India and to express earnest hope that friendly relations between US and India would in no way be impaired.

I referred to two statements in letter which seemed to me especially significant. First was declaration that if aid was misused or directed against another in aggression, President would undertake immediate action, both within and without UN, to thwart such aggression. Second was assurance that request by India for military aid would receive most sympathetic consideration. In regard latter, I said we recognized fully India's right to decide its own policy and that we were well aware that this policy was opposed to receipt of foreign military aid from any source. Nehru had made this abundantly clear in numerous public statements, and he should in no way construe President's offer as indicating that we did not accept his statements as settled Indian policy at present time. Speaking personally, I said I had been in some doubt as to desirability of this offer when it first came to my attention since he (Nehru) might have some justifiable ground for replying "in Heaven's name don't you accept my clear and categorical statements on this subject?" I said that on further reflection I had concluded that offer to India simultaneous with decision to grant aid to Pakistan was desirable to make it abundantly clear that we were not arming Pakistan against India.

I then handed letter to Nehru. He read both letter and public announcement carefully, taking special note of points I had emphasized. At conclusion he smiled, studied his cigarette for few moments, then said in pleasant and almost confidential tone, "I have never at any moment, since subject arose two or three months ago, had any thought whatsoever that US Government, and least of all President Eisenhower, wished to do any damage to India." He expressed appreciation for letter and for its clear exposition of President's motives and point of view. He said what disturbed him was not US motives but possible consequences of this action. Aside from international aspects which he had stated publicly on several occasions, he wished to speak quite frankly regarding certain internal aspects in both India and Pakistan which concerned him. He said vast majority of 40,000,000 Muslims in India were integral parts of the nation. Unfortunately, however, there were relatively small groups of extremists among Indian Muslims who did not conceal their pleasure over Pakistan aid because they hoped it might lead to renewal of Muslim domination of India. He said this feeling in turn aroused Hindu

extremists who were demanding all sorts of military preparations by India. As result, increased tensions were created not only between India and Pakistan but also between Indian religious communities. As regards Pakistan he paid warm tribute to Prime Minister Mohammed Ali and said he hoped very much he could remain in office. However Mohammed Ali did not have strong political organization and might not be able to withstand pressure from extremists who might force into power someone much less reasonable who would listen to adventurers.

I interrupted to refer again to President's strong statement regarding action to prevent Pakistan aggression and said I was fully convinced that US military aid would make Pakistan aggression less likely. I pointed out that at present time US was giving military assistance of one kind or another to some thirty or forty countries and that not one of them had engaged in aggression. Nehru then reread pertinent portion of President's letter. He made no comment but appeared to be impressed.

I said we would like to release text of letter simultaneously with public announcement at noon tomorrow (10:30 [*10:00*] p. m., Delhi time February 25) and that this seemed preferable to me in order to bring whole story out simultaneously and not piecemeal. Nehru said this was matter entirely for President Eisenhower to decide. There was no implication of any objection on Nehru's part.[2]

Comment: Conversation was surprisingly pleasant throughout. Nehru made conscious effort to be agreeable. He showed no adverse reaction to President's offer to consider sympatheticaly any Indian request for military aid, and it is possible that he was rather pleased. I have no doubt he will issue public statement reiterating strong objection to US action, but I hope discussion on this subject will diminish after few days. I do not anticipate serious public demonstrations.

ALLEN

[2] On Feb. 28, the Indian Embassy in Washington delivered Prime Minister Nehru's reply to President Eisenhower to the Department of State with the request that it be delivered promptly to the White House. Nehru appreciated the President's message, but said that the Government of India would continue to pursue its present policies because of its "desire to help in the furtherance of peace and freedom." (Presidential Correspondence, lot 66 D 204, "Prime Minister Nehru's Correspondence with Eisenhower/Dulles 1953–1961")

891.2546/3–1354 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, March 13, 1954—1 p. m.

1414. Thorium nitrate negotiations.

I. A. As stated in New Delhi despatch 1224 February 11, accompany-

ing Embassy's draft memo of commitment[1] pursuant to drafting instructions in Deptel 841 January 16, etc., the Indians were reluctant accept position that India obligate self to supply exportable surplus thorium nitrate exclusively to US during period under proposed contract.

B. After discussing with Nehru and reviewing their situation with great care in the six weeks since then, Indians at last called Embassy to receive and discuss their version draft memo of commitment. (This being air pouched Washington today as enclosure 1 to Embassy despatch 1436 March 12.)[2]

I. Verbatim text essential new points follow:—

"*Quantity*

2. The thorium-uranium plant of the Indian Atomic Energy Commission, Bombay is expected to commence production from 1st January 1955. The Indian Atomic Energy Commission, during the period 1st April 1954 to 30th September 1955, intends to dispose of an amount not exceeding 320 tons of thorium nitrate of mantle grade of the specification given in paragraph 1 above obtained from the treatment of thorium hydroxide produced by the Alwaye plant during the said period and in the period before 31st March 1954.

3. The steady commitment of the Indian Atomic Energy Commission for the sale of thorium nitrate for commercial purposes within India and to neighboring countries in the east (Pakistan, Burma, Ceylon, Philippine Islands, Australia, Hong Kong, Japan, Malaya and Indonesia) and Western Europe (UK, France, Belgium, Switzerland, Italy and Western Germany) for consumption only in the countries named is approximately 62.5 tons per annum, or 90 tons during the period 1st April 1954 to 30th September 1955. The Indian Atomic Energy Commission will therefore have available in the period from 1st April 1954 to 30th September 1955 a surplus not exceeding 230 tons of thorium nitrate. It is understood that the Indian Atomic Energy Commission does not propose to dispose of amounts larger than above-mentioned quantity (320 tons) in the said period.

4. The Government of the United States of America is prepared to purchase the whole of the above-mentioned surplus up to a maximum of 230 tons by the 30th September 1955 on the understanding that this constitutes the maximum amount which will be available for disposal outside the countries specified in clause 3 above.

5. The contract, which will be drawn upon the part of the United States of America by the General Services Administration, will contain the terms of the standard United States Atomic Energy Commission form of contract for such purposes, and will be transmitted

---

[1] Not printed; the record copy of despatch 1224, Feb. 11, enclosing the Embassy's Draft Memorandum of Commitment, is in Department of State file 891.2546/2–1154.

[2] Not printed; the record copy of despatch 1436, enclosing the Indian Revised Draft Memorandum of Commitment, is in Department of State file 891.2546/3–1254.

to the Government of India as soon as possible on the completion of this memorandum of commitment.

Duration of Contract and Renewal.

6. The present contract shall be for a period of 18 months from the 1st April 1954 or until the delivery of 230 long tons of thorium nitrate, which ever is later. The 18-month contract of the General Services Administration will provide that in the event that the full amount of 230 long tons has not been shipped within the 18 months period of the contract, the General Services Administration will purchase up to the balance of the said amount in the succeeding period.

7. The contract shall provide for renewal on such terms and conditions as are mutually agreed upon."

III. *Comments:*

A. Indian estimates total available quantity thorium nitrate two year period beginning April 1, 1954 at 506 tons ("new output" 306 tons, "backlog" about 200 tons); 21-month period 415 tons; 18-month period 320 tons. Reasons for increased availability as compared previous estimates (e.g. quoted in New Delhi telegram 1016 December 30) due (1) further accumulation in stockpile hydroxide at Alwaye and (2) re-estimated levels "minimum economic operation" of mines, Alwaye and Trombay.

B. Nehru and cabinet unwilling approve disposal to US of total amount thorium nitrate surplus to domestic needs for following reasons according to Bhabha and Bhatnagar: (1) GOI nonalignment policy, especially sensitive now; (2) though hopeful eventual long-term substantial sales US market, Indians realistically believe necessary establish and maintain commercial markets other countries.

C. Regarding security aspects, Bhabha and Bhatnagar state: (1) now aware leakage problem free ports and assure us will "make every effort" ascertain bona fide each purchaser and end-user; (2) willing accept Embassy counsel (from US check list, etc.) regarding direct purchasers; (3) Indians themselves establishing checking routine on purchasers through their Embassies, and (4) just as eager as US to avoid leakages bloc countries.

D. Indians will supply US 300 tons for contract period beginning January 1, 1954 ending December 31, 1955 on same terms if US desires.

IV. *Embassy Evaluation:*

A. Embassy recognizes Indian offer falls short absolute protection American interests but believes terms most realistic attainable existing domestic and international political situation.

B. In considering further action Department will please take note that Bhatnagar leaving India April 12 and Embassy believes desirable conclude this matter before end March.

ALLEN

611.9194/2–854

Memorandum by David H. Ernst, Aviation Policy Staff, Office of Transport and Communications Policy[1]

[WASHINGTON,] March 25, 1954.

UNITED STATES–INDIA AIR TRANSPORT RELATIONS

The United States–India Air Transport Agreement, signed in New Delhi on November 14, 1946,[2] was negotiated on the initiative of the United States in the course of the general post-war program to secure for United States air carriers the air transport rights needed to conduct services abroad deemed to be in the national interest. In the main its provisions follow those agreed upon by the United States and the United Kingdom in the so-called "Bermuda Agreement" of February 11, 1946.[3]

Difficulties with India under the agreement arise primarily with regard to Article IV which was designed to effect reasonable control over the quantum of services operated. This Article contains a set of principles the purpose of which is to insure an equilibrium between the capacity and frequency of the air services authorized by the agreement on the one hand and the requirements of the public for air transport on the other. Another purpose of the principles is to insure a proper relationship between those air services (United States and India) and air services of other nations operating on the specified air routes or sections thereof. Included in the agreement at the insistence of India in 1946 is Article IX which provides that, if, in the judgment of one contracting party, there has been a failure to fulfill the conditions under which the rights are granted in accordance with the agreement, it may withhold, revoke, or condition the operating permit of the designated airline of the other party. However, such limiting action may be taken only after consultation between the parties. This provision, under which unilateral action to restrict the capacity offered by the airline of the other contracting party might be taken, is in its interpretation an unusual feature of the United States–India Agreement. Article X contains provision for consultation with a view to initiating amendments of the agreement. When such consultation has been initiated, either party may notify the other of its desire to terminate the agreement.

---

[1] This memorandum was an enclosure to a letter, dated Apr. 11, 1954, from Thruston B. Morton, Assistant Secretary of State for Congressional Relations, to the Honorable Charles A. Wolverton (R–New Jersey), Chairman of the Committee on Interstate and Foreign Commerce, House of Representatives.

[2] For the text, see TIAS No. 1586, or 61 Stat. (pt. 3) 2573.

[3] For the texts of the U.S.–U.K. "Bermuda Agreement" of Feb. 11, 1946 and the Final Act of the Bermuda Conference, see TIAS No. 1507, or 60 Stat. (pt. 2) 1499, 1512. For documentation on U.S. policy with respect to international civil aviation and the Bermuda Conference, see *Foreign Relations*, 1946, vol. I, pp. 1450 ff.

In July 1951, after almost four years of United States carrier operations to India, the Government of India requested formal aviation consultations under the agreement, strongly advancing its view that Pan American World Airways and Trans World Airlines were carrying an excessive volume of traffic between India and other countries. Owing to India's inability to send representatives to Washington and United States insistence that formal talks be in Washington, a compromise was reached whereby United States representatives went to New Delhi for informal exploratory talks in lieu of formal consultations.

The Indian representatives made it clear in these 1951 talks that they sought a substantial reduction of United States air service into and through India, involving primarily a restruction on traffic carried between India and third countries on routes served by Air India International or through India on such routes. In 1951 India had insisted upon and had obtained arrangements with the United Kingdom and the Netherlands giving India control over the volume of services offered by BOAC and KLM and then sought to follow a similar course with the United States. Suggested was a mathematical formula to predetermine the over-all capacity to be offered by the United States carriers. The United States representatives reviewed the Bermuda capacity principles with the Indian representatives, agreed that the traffic carried by United States carriers between the United States and India had been lower in relation to traffic carried between India and other countries than had been expected but stressed the special circumstances, notably Indian exchange control regulations, which placed limitations upon the ability of the United States airlines to develop such traffic. The United States representatives emphasized the necessity of freedom to develop further the traffic potentials and argued against the Indian desire to limit such development through the application of rigid restrictions. It was repeatedly stressed that the application of restrictions was contrary to both the long-run interests of Indian international airlines and the general development of the trade and economy of India. Finally, the United States representatives successfully resisted Indian attempts to turn the talks into a formal consultation which would have given India the legal basis under Article IX for unilateral action to restrict United States carrier operations at that time.

These 1951 exploratory talks thus gave clear indication that India possessed sharply restrictionist views regarding the capacity of services utilizing the right to carry traffic having its origin and destination in countries other than that of the nationality of the carrier. Further, it was apparent that India sought a severe reduction in the number of weekly flights of United States air carriers.

While no direct action resulted from these talks, it was apparent that further Indian action against the agreement and United States carrier

213-752 O - 83 Vol XI - Pt. 2 - 44

operations under it was probable. Further issues on the matter were successfully avoided until the fall of 1952 when India requested the United States to choose between a voluntary limitation by United States carriers on their flights to India and amendment of the agreement to incorporate restrictive provisions. This proposal was shortly followed by the Indian request for formal consultations under Article X to amend the agreement on the basis of the view of the Government of India that United States airline services were excessive and prejudicial to the operations of Air India International.

Accordingly, consultations began in New Delhi on May 11, 1953.[4] In keeping with the basic principles of United States aviation policy, the Delegation firmly refused to agree to a predetermination of capacity. At the outset the United States offered to exchange certain traffic statistics in an effort to establish whether the Indian carrier was being injured by the operations of United States airlines. A review of the United States statistics and discussions with the Indian Delegation led the United States Delegation to the conclusion that a modest reduction in United States service would be appropriate. The United States Delegation did not feel, however, that India was able to prove the need for the restrictions upon which it insisted. In an attempt to preclude the unilateral imposition of restrictions by India or Indian denunciation of the agreement, the United States offered a temporary downward revision of the frequency of United States carrier operations. This offer was coupled with the understanding that the United States airlines would be free to increase their frequencies after January 1, 1954 if, in their own estimation, traffic warranted it. The United States steadfastly declined to accept any limitations on the type of traffic to be carried or any formula for predetermination of the capacity to be offered by United States carriers.

India rejected the United States offer because it did not include acceptance of the principle of predetermination of capacity, specific restriction of traffic having its origin and destination in countries other than the country of the nationality of the carrier and a reduction in frequencies sufficient to satisfy India. Indian efforts were continually concentrated on securing United States agreement to capacity predetermination. Failing success in this, the Indian Delegation ultimately suggested sine die adjournment to which the United States agreed. In this manner the formal consultation was recessed without any decisions having been reached affecting the agreement or the operations of United States air carriers under it.

---

[4] Documentation regarding these and earlier consultations between United States and India is in Department of State file 611.9194.

Subsequently, by a note dated January 14, 1954,[5] India formally gave notice to the United States of its desire to terminate the air agreement. Therefore, in accordance with its terms, the agreement will terminate on January 14, 1955. This note further expressed a desire for the early conclusion of a new agreement containing provisions to secure the Indian objective of protecting the development of Indian airlines operating abroad. The note stated that, for this purpose, India considers it necessary to ensure that air services are operated only in accordance with the specific agreement of the two governments in regard to capacity, frequency, and the carriage of traffic having its origin and destination in third countries.

This note is further affirmation that the current Indian policy on commercial rights in international air transport is at fundamental variance with that consistently held by the United States. Since the International Civil Aviation Conference at Chicago in 1944,[6] the United States has advocated that international air transport operations have maximum freedom from restriction, and the Department of State has pursued an energetic and continuous program to secure the adoption of the same policy by other nations, particularly those important to the international operations of United States airlines. At the Chicago Conference the United States Delegation tried to obtain agreement of the conferring states to the inclusion in the Convention on International Civil Aviation of principles under which international air transport could have developed without artificial restrictions. This effort failed and later at a conference of states members of the International Civil Aviation Organization held in Geneva in 1947, the United States Delegation sought the adoption of a multilateral agreement on air transport incorporating this policy. This conference too showed that many states were not ready to accept such principles on a multilateral basis. The Department has, therefore, obtained air transport rights abroad for United States airlines by means of bilateral air agreements. All of these, which at present number forty-five, contain the basic principles on which the United States has refused to compromise not only in the extended talks and consultations with India, but also in instances of difficulties with other nations involving the capacity of airline operations. Since a fundamental and unprecedented departure from established United States international air transport policy would apparently be required in order to meet the Indian position, it is difficult to see how a new agreement can be negotiated with India if that country adheres rigidly to the predetermination of capacity principle.

---

[5] The Embassy in New Delhi transmitted Note No. S/53/1921/70 from the Government of India giving formal notice of its desire to terminate the air agreement in despatch 1295, Feb. 12, 1954 (611.9194/2–1254).

[6] For documentation regarding the International Civil Aviation Conference at Chicago in 1944, see *Foreign Relations*, 1944, vol. II, pp. 355 ff.

791.00/4–254

The Ambassador in India (Allen) to the Department of State

NEW DELHI, April 2, 1954.

SECRET

No. 1546

Ref: Department's Instruction A–322, March 3, 1954 [1]

Subject: Congress Party

In reply to the reference instruction . . . the Embassy . . . investigating the extent to which not only the younger, but the older Congress Party members of Parliament are dissatisfied with Mr. Nehru's foreign policy and believe that India should openly favor the Western nations.

As of this time there is no question that apprehension, if not dissatisfaction, over Nehru's foreign policy exists within Parliament. This apprehension has arisen in the minds of some Members of Parliament, especially after the announcement of United States military aid to Pakistan, principally because they feel that India is gradually being isolated in its quest for a "third force" area, and because they cannot understand just what Mr. Nehru has in mind vis-à-vis developing a foreign policy which might increase India's security. Embassy contacts within Parliament clearly indicate that certain of the Congress right-wingers, most of the Praja Socialists, and such intelligent Independents as Jaipal Singh, Bihar Member of Parliament, and Frank Anthony, nominated Member of Parliament representing the Anglo-Indians, are clearly dissatisfied with Mr. Nehru's foreign policy efforts. With the exception of Mr. Anthony, however, no one in the above mentioned groups has thus far chosen to express himself publicly as opposed to India's foreign policy.

Press reports of Mr. Anthony's March 23 speech in Parliament in reply to Mr. Nehru's remarks opening the foreign policy debate are enclosed. Although Mr. Anthony's remarks were realistic and particularly pleasing to United States ears, he unfortunately does not carry sufficient political weight to make his words take hold in India.

The question raised in the referenced instruction also brings up a very basic point constantly under study which is the determination of the role played by foreign policy in the internal Indian political scene. Nearly all members of the Congress Party, irrespective of their political ideologies, seem to be aware of two factors which have an important bearing on their political futures—(1) Mr. Nehru's leadership and (2) Mr. Nehru's foreign policy. As has been reported in the past, the Congress Party has relied in no small measure on Nehru's foreign policy pronouncements to maintain itself in power. There is no reason to believe that the Party is still not dependent to a great

[1] Not printed. (791.00/3–354)

degree on this political factor, which has, generally speaking, attracted more attention than relatively non-glamorous, internal programs such as the Five Year Plan. With this in mind, the Embassy is of the opinion that any group of Congressmen which might at this time attempt to divorce itself publicly from Mr. Nehru's foreign policy would be risking political suicide.

It would therefore appear that no matter how distasteful Nehru's efforts in the field of foreign affairs may be to some politicians, the chances of any sizable group within the Congress taking issue with him in the political arena as long as he remains at the head of the Party are extremely limited.

For the Ambassador:
T. Eliot Weil.
Counselor for Political Affairs

611.914/4–254

The Ambassador in India (Allen) to the Department of State

CONFIDENTIAL New Delhi, April 2, 1954.

No. 1549

Ref: Dept's A–332, March 9, 1954,[1] and previous

Subject: Treaty of Friendship and Establishment

On March 31 the Ambassador discussed with N. R. Pillai, Secretary General of the Ministry of External Affairs, the current status of the proposed Treaty of Friendship and Establishment. The Ambassador handed to Mr. Pillai a letter dated March 31 (Enclosure 1 to this despatch) stating that the United States wishes to go forward with the Treaty and expressing the belief that substantial agreement has already been reached on its major provisions. Mr. Pillai has previously expressed the hope that something of a concrete nature be done to counteract the adverse Indo-American psychological reaction to recent developments.

The Ambassador pointed to the many advantages, including those in the field of public relations, which would result from the conclusion of the Treaty. He added that the Treaty could very well contribute toward the psychological climate desired by Mr. Pillai. The latter appeared to be favorably impressed with the submission and promised to look into the current status of the Treaty without delay.

On April 2, Andrew V. Corry, accompanied by J. Wesley Adams and Robert W. Adams, called by appointment on K. G. Ambegaokar, Secretary for Economic Affairs, Ministry of Finance, who has been

---

[1] Not printed. (611.914/2–1954)

the principal negotiating officer on the Indian side. The purpose of the visit was two-fold; firstly, to preclude any impression that Mr. Ambegaokar was being by-passed in this matter, copies of the Ambassador's letter to Mr. Pillai being furnished him; and, secondly, to seek to determine the status of the Treaty on a technical negotiation level.

Mr. Ambegaokar glanced at the Ambassador's letter to Mr. Pillai and the accompanying Memorandum and expressed his interest in the picture presented. He reminded the Embassy officers who were interviewing him that when John A. Loftus, the former Counselor for Economic Affairs, had approached him regarding the then-dormant status of the Treaty (see Embassy Despatch No. 912, November 30, 1953),[2] he had been reluctant to refer the matter up to the policy-deciding level. The reason was that he judged the psychological climate to be unpropitious. He observed that the Ambassador's initiative in taking up the matter with N. R. Pillai seemed to him the right step because Pillai was best able to judge whether the climate for the consideration of the Treaty would now be favorable.

The Embassy officers said to Mr. Ambegaokar that it was precisely the United States Government's interest to foster the formation of a mutually agreeable climate that led the Embassy to commend the draft Treaty to the Government of India for appropriate action at this time. The Treaty, if entered upon, could well become a vehicle which would serve to improve the psychological climate. The absence of a Treaty was an obstacle, indeed an important psychological obstacle, to the formation of useful business ties on both sides. Mr. Ambegaokar accepted this point, to which he said he assigned full weight. He then stressed, however, the objections he had previously voiced to Mr. Loftus, which he felt made it not altogether useful to have a Treaty. He stated that in his opinion a Treaty opened up fields of controversy. The Embassy officers stated they fully understood Mr. Ambegaokar's argument, which was expressed very concisely, but they urged that the important consideration remained the creation of a useful psychological climate.

Mr. Ambegaokar was asked to get in touch with J. Wesley Adams and Robert W. Adams of the Embassy when he wished to pursue the subject further. He was also informed that the Ambassador expected to keep in touch with N. R. Pillai on the subject.

For the Ambassador:
ROBERT W. ADAMS
Second Secretary of Embassy

---

[2] Not printed. (611.914/11-3053)

[Enclosure]

The Ambassador in India (Allen) to the Secretary General of the Ministry of External Affairs (Pillai)

CONFIDENTIAL NEW DELHI, March 31, 1954.

MY DEAR MR. SECRETARY GENERAL: The proposed Treaty of Friendship and Establishment between India and the United States has been the subject of conversations between officials of the Government of India and the Embassy since October 1949.[3] Numerous revisions have been mutually agreed upon and the current draft, dated March 3, 1953, was submitted to your Government for its consideration in May 1953.[4]

I wish to state on behalf of my Government that it wishes to go forward with this Treaty. I believe that agreement has already been reached on all its major provisions and that the remaining issues can be resolved without much difficulty. I await with interest the views of your Government concerning the revised draft on March 3, 1953.

There is enclosed for your convenient reference a brief Memorandum outlining the history of the negotiations on the Treaty and its current status.

Sincerely, GEORGE V. ALLEN

[Enclosure]

MEMORANDUM ON THE PROPOSED TREATY OF FRIENDSHIP AND ESTABLISHMENT BETWEEN INDIA AND THE UNITED STATES

In October 1949 the United States presented to the Government of India for its consideration a proposed Treaty of Friendship, Commerce, and Navigation. It was identical with the standard draft used by the Department of State in the negotiation of similar Treaties with other countries. Among such Treaties recently concluded by the United States are those with Colombia, Denmark, Italy, Eire, Greece, Israel, and Japan.

During 1950 and 1951 there were numerous discussions between officials of the Government of India, principally of the Ministry of Finance, and the Embassy concerning each of the provisions of the proposed Treaty. In the summer of 1952 it was mutually agreed that the existing draft needed substantial revision and the deletion of various provisions relating to navigation and commercial matters. The

[3] For documentation regarding U.S. efforts to negotiate a Treaty of Friendship and Establishment between the United States and India, see Department of State file 611.914.

[4] Not printed. (611.914/4-2953)

proposed deletions and other revisions suggested by the negotiating officials of the Government of India were transmitted to the Department of State and conversations in New Delhi were, therefore, interrupted in December 1952.

The proposals of the Indian negotiators were then incorporated by the Department of State in a new draft Treaty. This revised draft is dated March 3, 1953 and is entitled "Treaty of Friendship and Establishment", the title having been changed because of the deletion of the navigation and commercial provisions. The current draft of March 3, 1953 was transmitted by the Embassy to the Ministry of External Affairs in May 1953. Various conversations have taken place since that date between the Government of India and Embassy officials concerned although actual negotiations have not been resumed.

The current draft of the proposed Treaty consists of 20 Articles and a Protocol. Among its important provisions are those concerning: (*a*) equitable treatment to persons and interests; (*b*) entry and sojourn, including "treaty trader" and "treaty investor" status; (*c*) personal rights and free access to courts; (*d*) property rights; (*e*) acquisition of property and interests, including patents and trade marks; (*f*) national and most-favored-nation treatment with respect to enterprises and the right effectively to control one's properties; (*g*) nondiscriminatory taxation and remittance in foreign currency of earnings; and (*h*) most-favored-nation treatment with respect to commercial travelers and all matters relating to importation and exportation.

On the basis of informal conversations between the officials concerned, it would appear that there remains only one difference of opinion with respect to the current draft Treaty. This is in connection with Article X, paragraph 2(*c*), which states that each party shall, after allocating foreign exchange for goods and services essential to the health and welfare of its people, make reasonable provision for the remittance in the currency of the other Party of compensation, earnings, dividends, commissions, and "(*c*) amounts for amortization of loans, depreciation of direct investments, and capital transfers . . . ". The negotiators for the Government of India have objected to this clause (*c*) on the grounds that it might adversely affect India's current foreign exchange control procedures. The Embassy believes that sufficient safeguards concerning India's balance-of-payments position are contained in the provision, and that further discussions on this matter would be useful. There may, of course, be other minor points, principally in connection with phraseology, which may require clarification. None of these, however, are regarded as of such a nature as to affect the general agreement already reached between India and the United States both on the Treaty as a whole and on each of its major provisions.

891.546/3–1254 : Telegram

The Secretary of State to the Embassy in India[1]

SECRET PRIORITY WASHINGTON, April 7, 1954—9 p. m.

1163. Limit distribution. Although GOI draft Memo of Commitment (Emb despatch 1436, March 12, 1954)[2] fails to provide absolute protection desired, I believe it should be accepted as basis for finalizing thorium nitrate procurement contract, subject following provisos:

GOI memorandum, as written, offers no certainty that any fixed quantity of thorium nitrate will be delivered to U.S. in any specific time. As written, proposed commitment would carry into contract a firm commitment by U.S. for purchase of specified amount but with extremely vague requirements on GOI to supply even to best of its ability such an amount. In view U.S. prepayment, in effect, of premium in form of lump sum grant under an FOA–GOI project agreement, and inasmuch U.S. is undertaking to purchase substantial quantity thorium nitrate and vast bulk of Indian production, U.S. should have firmer commitment regarding deliveries thorium nitrate to U.S. There follow, therefore, desired rephrasing numbered paragraphs 4, 6 and 7.

"4. The Government of the United States of America, under the terms of this agreement, is prepared to purchase by September 30, 1955, up to a maximum of 230 long tons of thorium nitrate of mantle grade of the specifications given in paragraph one above, on the understanding that this constitutes the maximum amount which will be available for disposal outside the countries specified in clause three above. It is understood that the Indian Atomic Energy Commission will use its best efforts to make delivery of the above amount as expeditiously as possible and that all quantities of thorium nitrate produced under the authority of the Indian Atomic Energy Commission and available for purchase will be sold to the United States under the terms of this agreement except for thorium salts equivalent to approximately 15 long tons thorium nitrate per calendar quarter, which it is understood is required for domestic Indian consumption and the export commitments specified in paragraph three."

"6. The present contract shall be for a period of 18 months from the 1st April 1954, or until the delivery of 230 long tons of thorium nitrate, whichever is earlier. The 18-month contract of the General Services Administration will provide that in the event that the Indian Atomic Energy Commission, through no fault of its own, has been unable to deliver the full amount of 230 long tons within the 18-month period of the contract, the Indian Atomic Energy Commission will deliver and the General Services Administration will purchase the balance of the said amount in the succeeding six-month period which may be extended at the option of the U.S. Government."

"7. The contract shall provide for renewal on such terms and conditions as are mutually agreed upon on completion of the delivery of

[1] This telegram was drafted by Hamilton of S/AE and was signed by Secretary of State Dulles.

[2] Not printed; see footnote 2, p. 1740.

the 230 long tons covered in this agreement or at the end of the 18-month period or extension thereof."

FYI, if Embassy's negotiation on rephrasing of point 4, suggested above indicates this may block entire arrangement, Embassy is authorized to retreat from concept of 15 long tons thorium nitrate per calendar quarter for Indian internal consumption and for shipments to other than US, to concept of 30 long tons thorium nitrate per six months. If absolutely necessary to preserve negotiation, Embassy may further retreat to original Indian position by putting period after phrase "as expeditiously as possible" in final sentence paragraph 4 and deleting rest of sentence. End FYI.

There are, in addition, several non-substantive revisions GOI draft advisable. These relate to need to maintain integrity U.S. AEC thorium nitrate price by removing overt reference to price of $3.50 a pound. Following rephrasings desired:

A. Numbered paragraph 5—"The contract resulting from this Memorandum of Commitment will be drawn up between the Indian Atomic Energy Commission on the part of the Government of India and the General Services Administration on the part of the United States of America and will contain the standard terms of a contract for such material. Such a contract will be transmitted to the GOI and executed as soon as possible on the completion of this Memorandum of Commitment."

B. Numbered paragraph 8—"*Price of Thorium Nitrate:* The price of the thorium nitrate delivered under the contract with the General Services Administration, quality as specified, shall be $2.20 per pound delivered ex dock New York or other U.S. east coast port."

C. Numbered paragraph 9—"*Operational Agreement:* The procurement contract will be simultaneously supplemented by an operational agreement under the Indo-American Technical Cooperation program, in the amount of $669,760; this project agreement will cover such equipment and supplies as the appropriate Indian authorities shall designate to the extent of the above amount. It is understood that the funds applied to this purchase under the proposed operation agreement will not be derived from the total funds otherwise allocated to India under the Indo-American Technical Cooperation Agreement, but will be an addition thereto."

In view fact US has experienced some difficulty in past on oral commitments by persons who later departed their positions in GOI, it is deemed important there be something more than simple oral commitment by Bhatnagar to follow procedures for checking *bona fides* of end-user each shipment outside India. Therefore, Embassy should obtain from Bhatnagar, through exchange of letters, confirmation U.S. understanding that Indian undertaking to sell thorium nitrate for consumption only in countries named in paragraph three of Memorandum of Commitment means GOI will check *bona fides* of end-user each shipment to such countries by obtaining government endorsed import

certificate or formal assurance which guarantees against transshipment or reexport and would insure that thorium nitrate is, in fact, consumed there and is not shipped elsewhere; Embassy might well emphasize that this procedure is and has been standard practice widely used for commodities of this importance.

DULLES

891.2546/4–1254 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET PRIORITY NEW DELHI, April 12, 1954—7 p.m.

1536. Thorium Nitrate Negotiations.

I. (*a*) All textual amendments in Deptel 1163 April 7 exhaustively discussed with full Indian AEC April 10 just before Bhatnagar's departure for France. Indians appreciated Department's reasoning and accepted all suggested revisions except that on statement of price (paragraph B in reference telegram), which they re-drafted after hour-long discussion of phrasing designed try meet requirements both parties.

(*b*) Indians requested insertion name of Holland among countries listed in clause three. As it was on their original list and was inadvertently omitted from drafts transmitted to Department by Embassy (reference enclosure 1 Embassy despatches 1436 March 12 [1] and 1583 April 9 [2]); Corry consented.

(*c*) Written confirmation by Bhatnagar, with explicit concurrence Bhabha, of understanding specified in last paragraph Deptel 1163 was obtained.

(*d*) Amended text as described below was drafted by Corry with Bhatnagar and Bhabha and was signed by Bhatnagar and Corry "*ad referendum*," viz., on express condition that each of the two governments will advise the other of the confirmation of the memorandum of commitment as early as possible. This provisional signing rendered necessary to secure Department's assent to negotiators re-draft of clause five, and GOI law officer's assent to Department's amended versions of clauses four, six and seven as well as negotiators re-drafted five.

II. (*a*) Text of preamble and clauses 1 and 2 unchanged from GOI draft memorandum (enclosure 1, Embassy despatch 1436).

(*b*) "Holland" inserted between "Belgium" and "Switzerland" in clause three.

[*c*] Clause four amended to wording given in relevant paragraph in Deptel 1163, except that word "salts" in last sentence was replaced by "nitrate".

---

[1] Not printed; see footnote 2, p. 1740.
[2] Not printed. (891.2546/4–954)

(*d*) Clauses five, eight and nine proposed in Deptel 1163 were re-cast and re-drafted at Indian's insistence in a new clause five as follows:

"Financial Arrangements" (new caption substituted for old captions "price of thorium nitrate," "method of payment," and "operational agreement").

Verbatim text. "5. This memorandum of commitment will result in a contract between the Indian Atomic Energy Commission on behalf of the Government of India and the General Services Administration on behalf of the Government of the United States of America, and in an operational agreement under the Indo-American technical cooperation program. The contract will contain the standard terms of a contract for such material, and will be transmitted to the Government of India and executed as soon as possible on the completion of this memorandum of commitment. It will provide for the purchase by the General Services Administration of thorium nitrate of the quality specified at $2.20 per pound c.i.f. New York or other United States east coast port amounting to a total of $1,133,440 for 230 long tons. Simultaneously, the operational agreement will provide an additional sum of $669,760 to cover the purchase of such equipment and supplies as the appropriate Indian authorities shall designate to the extent of the above amount. It is understood that the funds applied to this purchase under the said operational agreement will not be derived from the total funds otherwise allocated to India under the Indo-American technical cooperation program but will be an addition thereto. The Indian Atomic Energy Commission will thus receive the total sum of $1,803,200 for 230 long tons of thorium nitrate, or $3.50 per pound. The Government of India understands that it will not be liable to the payment of customs duty in the United States on the thorium nitrate sold by it under the above contract." *End verbatim text.*

(*e*) Clause six amended to wording given in relevant paragraph Deptel 1163.

(*f*) Clause seven amended to wording given in relevant paragraph Deptel 1163, except that "such" has been substituted for "same" as eighth word.

(*g*) Clauses eight and nine proposed in Deptel 1163 have been eliminated, though wording taken from them has been incorporated in redrafted clause five as shown above.

(*h*) *Ad referendum* paragraph added above signatures, as mentioned above in item (*d*).

The full text, together with copy of letter of understanding mentioned in final paragraph Deptel 1163 to which Bhatnagar gave his signed assent and cited Bhabha's concurrence, are being airpouched to Department as enclosures one and two to New Delhi despatch 1594 of April 12[3] on April 18 due arrive Washington about 26th.

III. *Comment*—(*a*) Reference clause five, Bhabha professed unfamiliarity with implications term "delivered at dock New York, etc." suggested in Deptel 1163 paragraph B and expressed preference use

[3] Not printed. (891.2546/4–1254)

term "c.i.f." with which he familiar. If Department strongly desires use its phraseology instead, please state reason Embassy could give satisfy Bhabha.

(*b*) Embassy and TCM/I would appreciate receiving urgently sample copy of "standard GSA contract" referred to in clause five. Indian AEC and Ministry wish see.

(*c*) Bhabha stated intention furnish TCM/I with firm list total items to be procured under operational agreement mentioned in clause five by latter part June. (List sent as enclosures one and two to New Delhi despatch 1575 April 7 [4] was "preliminary, for information". Final list expected include titanium plant plus cyclotron, etc.). Reason for delay is that Indian scientists attending Ann Arbor nuclear engineers conference June 20 will telegraph Bhabha their recommendations final selection, e.g., size of cyclotron, etc.

(*d*) GOI will confirm to Embassy acceptance memorandum of commitment through Bhabha earliest after latter receives from Embassy Department's acceptance.

(*e*) Embassy desires emphasize real difficulty and further re-opening of terms of memorandum. Bhabha will be in Kashmir and Bangalore after April 19 for about six weeks. Bhatnagar will be in France, South America and United States, and though he expects pay courtesy call Department while in Washington he not prepared undertake revisions without Bhabha's concurrence. Krishnan, third member Indian AEC, remaining Delhi and concurs Bhatnagar and Bhabha's negotiations but unwilling himself to assume responsibility for revisions.

ALLEN

[4] Not printed. (891.2546/4–754)

891.2546/4–1254 : Telegram

The Acting Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, April 22, 1954—5:45 p. m.

1230. There appears to be essential agreement on memorandum signed by Corry and Bhatnagar (Embtel 1536, April 12). However, definitive US approval will be withheld pending Department's receipt Embassy despatch 1594 [2] giving complete revised text and text of letter of understanding signed by Bhatnagar.

There follow comments on numbered paragraphs Embassy telegram 1536:

I *b*—Approve insertion name of "Holland" among countries listed clause three.

[1] This telegram was drafted by Hamilton of S/AE and was signed by Gerard C. Smith, Consultant to the Secretary of State for Atomic Energy Affairs.

[2] Not printed. (891.2546/4–1254)

II *c*—Approve use of word "nitrate" in place of word "salts" in final sentence numbered paragraph four. This change requires rephrasing of pertinent portion of final sentence to read ". . . under the terms of this agreement except for approximately 15 long tons thorium nitrate per calendar quarter . . ."

II *f*—Approve use of "such" as eighth word in paragraph seven.

II *d*—Paragraph five redraft generally acceptable except for penultimate sentence which should be entirely deleted. In view final paragraph reftel, Department should be informed, if in Ambassador's opinion, obtaining this deletion will jeopardize progress of negotiation.

Prefer term "ex dock" to "c.i.f." Pouching detailed definition former term.[3]

III *b*—For general form standard GSA contract, see GSA–GOI monazite contract November 9, 1951.[4]

SMITH

[3] The definition of the term "ex dock" was sent to the Embassy in Department airgram 401, Apr. 27, 1954 (891.2546/4–2754).

[4] Not printed.

891.2546/4–2354 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, April 23, 1954—6 p. m.

1588. Deptel 1230, April 22 suggests deletion penultimate sentence paragraph 5 Corry–Bhatnagar memo. Precisely this issue which raised greatest difficulty in last minute negotiations in Bombay. Bhatnagar and Bhabha understood our need mention $2.20 price, but emphasized necessity for specific reference to $3.50.

Bhabha himself drafted this portion paragraph 5, insisting that insertion of 3.50 figure was as equally necessary for India AEC as 2.20 figure was for US authorities. Bhatnagar agreed with him. I believe any attempt secure deletion this sentence would be fruitless and probably lead to denunciation of agreed memo. Although desire avoid mention higher price fully appreciated, strongly recommend Department approve this sentence. Will appreciate early reply.[1]

ALLEN

[1] The Department responded on Apr. 30 in telegram 1279, not printed, that it approved the inclusion of paragraph 5 in the Memorandum of Commitment as reported in New Delhi telegram 1536, Apr. 12, 1954 (p. 1753). The Department also authorized the Embassy to give final U.S. approval to the Memorandum of Commitment as signed by Corry and Bhatnagar. (891.2546/4–2354)

891.2543/6–654 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, June 6, 1954—1 p. m.

1780. For Gerard Smith. Bhabha stopped over two days in New

Delhi en route from Kashmir (where he has been vacationing) to Bangalore. Mills and Adams met with him June 4 (Deptel 1396, June 3).[1] He said he is anxious to finalize thorium nitrate agreement as soon as possible. MEA has had memorandum of agreement under study, and reply to Embassy note (Embdesp 1719, May 7)[2] confirming acceptance of agreement will be sent in day or two. This note will propose several minor changes, purpose of which is to clarify meaning. As he outlined them, none seemed to change sense of agreement. However Bhabha said note will also request one modification of some substance. GOI would like to have period ending paragraph 4 changed to comma and following words added: "and except for such additional quantities not exceeding in the aggregate 100 tons which the GOI may sell under arrangements with the governments of the countries referred to in clause 3." Bhabha stated that GOI wished to be able to make sales, up to 100 tons, on government-to-government basis when purchasing government desired thorium nitrate for experimental as contrasted with commercial purposes.

Mills stated he could not anticipate reaction of US Government to this proposed modification; he did not like to single out particular governments, but we both knew that certain countries did not control reexports as effectively as others. When pressed, Mills said he had in mind certain countries in the east mentioned in paragraph 3. Bhabha replied that the GOI would be glad to eliminate all such countries. Mills then mentioned that there appeared to be some laxity in controls in both Belgium and Switzerland. Bhabha said he was not interested in either. The countries he is interested in, and from some of which inquiries had been received, are UK, France, Norway, Sweden, Denmark and Italy. He said GOI would be glad to list these countries in proposed modification of paragraph 4 instead of using the phrase "governments of the countries referred to in clause 3."

Bhabha stated he would not insist on this modification but he hoped US Government could accept it. In his opinion if US does not object to the countries in question carrying on experiments, the modification would help achieve the objective of US in concluding the agreement, which, he believed, was to see that all thorium nitrate goes to destinations acceptable to US; he added that he believed US was buying thorium nitrate merely to assure this end.

If US able to accept his proposed amendment, then Bhabha stated the phrase "through no fault of its own" should be eliminated from paragraph 6 since stretch-out in deliveries to US might well be the

---

[1] Not printed; the Department requested a status report from the Embassy concerning the Government of India's confirmation of acceptance of the Memorandum of Commitment (891.2546/6-354).

[2] Not printed. (891.2546/5-754)

result of government-to-government agreements between India and the governments mentioned above.

The note from GOI probably will be received in next few days.

ALLEN

891.2546/6–754 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, June 7, 1954—7 p. m.

1784. For Gerard Smith. Gonsalves of Bhatnagar's office has sent Embassy for its advance information copy of note which covering letter states is being sent Embassy by MEA (Embassy telegram 1780 June 6). Substantive part of MEA note as follows:

The Ministry of External Affairs has the honor to inform the Embassy of the United States that the Government of India confirms the memorandum of commitment with the following modifications:

1. The Government of India accepts the proposal of the United States Government to substitute the phrase "at $2.20 per pound delivered at dock New York" for "$2.20 per pound c.i.f. New York" in the third sentence of paragraph 5 of the memorandum.

2. As the agreement mentioned in the memorandum will be entered into by the GOI, the words "the Government of India" will replace the words "the Atomic Energy Commission" wherever they occur in clauses 2 to 6 of the memorandum and other consequential modifications will be made.

3. The consequential agreements shall contain a ("and" shall be used for "and" respectively) "*force majeure*" clause.

4. The following minor changes may be made in clause 4 of the memorandum:

(*a*) The words "make delivery of" may be replaced by the word "produce" in line 8.

(*b*) The words "and the United States will purchase" may be added after the words "United States" in line 11.

(*c*) The words "is required" may be replaced by the words "is the steady commitment" in line 14.

(*d*) The word "commitments" in line 15 may be omitted.

The Government of India propose, if the Government of the United States agree, to add the following sentence at the end of clause 4:

"And except for such additional quantities not exceeding in the aggregate 100 tons which the Government of India may sell under arrangement to the governments of the countries referred to in clause 3."

If this amendment is accepted, then the phrase "through no fault of its own" in clause 6 must be deleted.

Subject to the above mentioned changes and observations, the memorandum of commitment under reference is hereby confirmed as accepted by the Government of India. If acceptable to the Embassy, the Ministry proposes that the present note and the Embassy's reply

constitute a mutually agreed amendment to the memorandum of commitment of April 10, 1954.

Regarding the phrase GOI wishes add at end of clause 4, covering letter of Gonsalves states:

"You will also note that a sentence has been added at the end of clause 4, of which Dr. Bhabha considers to be in keeping with the spirit of the agreement as envisaged by both parties. The memorandum is intended to provide for the purchase to and by the United States on all surplus thorium nitrate produced in India beyond the amounts required for commercial use in the countries mentioned in the memorandum up to the total amount therein mentioned. The purpose of the added sentence is to provide for the sale of a part of the surplus, not exceeding in the aggregate 100 tons, by the GOI to the (*governments*) of the countries mentioned in the memorandum. Such sales, if it takes place, will be undertaken with due safeguards. Since the intention of the United States was to absorb all the surplus, it will, if this contingency materializes, have to absorb less in the period up to the 30 September 1955, the total amount of 230 tons to the United States being made up by sales in the following period. Consequently, the phrase "through no fault of its own" in clause 6 has been omitted."

As reported in Embtel 1780, Bhabha stated GOI would not insist on this addition to clause 4 if US has serious objection. He would be happier if no complete rejection and would be content as reported to have government-to-government exports in question limited to UK, France, Italy, Norway, Sweden and Denmark. If US cannot accept either proposal, please send Embassy plausible reason therefor.

ALLEN

611.914/6–1554

The Ambassador in India (Allen) to the Department of State

LIMITED OFFICIAL USE NEW DELHI, June 15, 1954.

No. 1956

Subject: FCN Treaty With India

In a letter dated March 31, 1954 addressed to Mr. N. R. Pillai, Secretary General of the Ministry of External Affairs (Enclosure No. 1 to Embassy Despatch No. 1549 of April 2, 1954), Ambassador Allen expressed the desire of the Government of the United States to proceed with the negotiation of the proposed Treaty of Friendship and Establishment between the United States and India. Mr. Pillai has now replied to the Ambassador's letter in a letter dated June 6, 1954 (see Enclosure No. 1 to this despatch).

In his letter Mr. Pillai states that, although agreement had been reached on a number of important points of the draft treaty, "there are certain other provisions on the draft which require further nego-

213-752 O - 83 Vol XI - Pt. 2 - 45

tiations at the official level." After listing the points in question he suggested that representatives of the Government of India Ministries and of the Embassy meet to discuss these points "so that the possibilities of reaching agreement over the whole range of provisions may be explored."

During a conversation with Ambassador Allen on June 14, Mr. Pillai said that he was most anxious that negotiations on this treaty should not be broken off or allowed to lapse.

It was agreed that Embassy officials would meet shortly with the interested Government of India officials to resume discussions. Although Mr. K. G. Ambegaokar, Secretary, Ministry of Finance, is on sick leave and is not expected back at his desk before early July, the Embassy hopes that at least a preliminary review of the situation may be initiated before then.

It is of some interest that a staff member of the Indian Federation of Chambers of Commerce and Industry called the Embassy recently to request copies of commercial treaties which the United States had concluded with other countries. He was informed that the Embassy did not have any such copies at hand but that it would endeavor to obtain copies of one or two such treaties for use by the Chamber. The Department is requested to forward copies of several such treaties, if available, for the use indicated.

It is possible that the request of the Indian Commerce Federation in this respect was stimulated by the recent remarks of Consul General Turner in Bombay who, in an address to the Bombay Rotary Club, urged the early conclusion of a treaty of Friendship, Commerce and Navigation between India and the United States. Should the Indian business community become interested in the treaty, it might spur the Government of India to a more active interest.

For the Ambassador:
J. Wesley Adams, Jr.
Acting for the Counselor for Economic Affairs

[Enclosure]

The Secretary General of the Ministry of External Affairs (Pillai) to the Ambassador in India (Allen)

LIMITED OFFICIAL USE

New Delhi, June 6, 1954.

My Dear Ambassador: I regret the delay in replying to your letter dated the 31st March, 1954, regarding the proposed Treaty of Friendship and Establishment between India and the United States. I have had the matter examined by the various Ministries concerned and this examination shows that although agreement was reached at the official level on a number of important points, there are certain other provi-

sions on the draft which require further negotiations at the official level. These relate, among other things, to the following Articles in the draft Treaty:

(1) Article II
(2) Para 1 of Article V
(3) Paras 1, 2 & 5 of Article X
(4) Para 4 of Article XIII
(5) Paragraph 2 of the Protocol.[1]

[1] Article II of the draft Treaty of Friendship and Establishment between the United States and India reads as follows:

"1. Nationals of either Party shall be permitted to enter the territories of the other Party and to remain therein: (*a*) for the purpose of carrying on trade between the territories of the two Parties and engaging in related commercial activities; (*b*) for the purpose of developing and directing the operations of an enterprise in which they have invested, or in which they are actively in the process of investing, a substantial amount of capital; and (*c*) for other purposes, subject to the immigration laws. Such nationals, within the territories of the other Party, shall be permitted: (*a*) to travel therein freely, and to reside at places of their choice; (*b*) to enjoy liberty of conscience; and (*c*) to hold both private and public religious services.

"2. The provisions of the present Article shall be subject to the right of either Party to apply measures that are necessary to maintain public order and protect the public health, morals and safety."

Paragraph 1 of Article V reads as follows:

"1. Neither Party shall take unreasonable or discriminatory measures that would impair the legally acquired rights or interests within its territories of nationals and companies of the other Party in the enterprises which they have established, in their capital, or in the skills, arts or technology which they have supplied."

Paragraphs 1, 2, and 5 of Article X read as follows:

"1. Nationals and companies of either Party shall be accorded by the other Party national treatment and most-favored-nation treatment with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties as well as between the territories of such other Party and of any third country.

"2. The Parties recognize the desirability of refraining from the imposition of exchange restrictions and of eliminating exchange restrictions as soon as conditions permit. If either Party impose exchange restrictions, it shall, after making whatever provision may be necessary to assure the availability of foreign exchange for goods and services essential to the health and welfare of its people, make reasonable provision, having regard to the circumstances necessitating exchange restrictions, for the withdrawal, in foreign exchange in the currency of the other Party, of: (*a*) the compensation referred to in Article V, paragraph 3, of the present Treaty, (*b*) earnings, whether in the form of salaries, interest, dividends, commissions, royalties, payments for technical services, or otherwise, and (*c*) amounts for amortization of loans, depreciation of direct investments, and capital transfers to the extent feasible, giving consideration to special needs for other transactions."

"5. It is understood that the provisions of the present Article do not alter the obligations either Party may have to the International Monetary Fund or preclude imposition of particular restrictions whenever the Fund specifically authorizes or requests a Party to impose such particular restrictions."

Paragraph 4 of Article XIII reads as follows:

"4. Neither Party shall impose any measure of a discriminatory nature preventing or hindering the importer or exporter of products of either Party from obtaining marine insurance on such products in companies of either Party."

Paragraph 2 of the Protocol reads as follows:

"2. The Parties recognize that conditions of competitive equality should be maintained in situations in which publicly owned or controlled trading or manufacturing enterprises of either Party engage in competition, within the territories

Footnote continued on following page.

I would therefore suggest, if you agree, that further discussions may proceed between our Ministries and the officials of the Embassy on these points so that the possibilities of reaching agreement over the whole range of provisions may be explored. Our doubts regarding the above points will be better explained in the course of such discussions than is possible in this letter. I share your hope that full agreement will be possible on this somewhat technical and complicated field of the relationship between our countries.

Yours sincerely, RAGHAVAN PILLAI

Footnote continued from preceding page.

thereof, with privately owned and controlled enterprises of nationals and companies of the other Party. Accordingly, such private enterprises shall, in such situations, be entitled to the benefit of any special advantages of an economic nature accorded such public enterprises, whether in the nature of subsidies, tax exemptions or otherwise. The foregoing rule shall not apply, however, to special advantages given in connection with: (*a*) manufacturing goods for government use, or supplying goods and services to the Government for government use; or (*b*) supplying, at prices substantially below competitive prices, the needs of particular population groups for essential goods and services not otherwise practically obtainable by such groups." (611.914/4–2953)

891.2546/7–254

The Director of the Foreign Operations Administration (Stassen) to the Secretary of State

SECRET WASHINGTON, July 2, 1954.

DEAR MR. SECRETARY: There are transmitted herewith, in accordance with the instructions of the President, a copy of his Memorandum of Determination with respect to the purchase of thorium nitrate from and related technical assistance to the Government of India, and a copy of my memorandum upon which this action was based.

Sincerely yours, HAROLD E. STASSEN

[Enclosure 1]

Memorandum by the President to the Director of the Foreign Operations Administration (Stassen)

SECRET [WASHINGTON,] June 29, 1954.

Subject: Purchase of Thorium Nitrate from and Related Technical Assistance to the Government of India

In accordance with the recommendation contained in your memorandum of June 29, 1954, I hereby determine, pursuant to the authority vested in me by Section 303(*a*) of the Mutual Defense Assistance Act of 1949, as amended, that up to $2.2 million of funds appropriated pursuant to that Section may be used for the purchase of approximately 230 long tons of thorium nitrate (to be resold to

the Atomic Energy Commission) from and for related technical assistance to the Government of India. I further determine that these expenditures will serve to accomplish the policies and purposes of that Act, and are important to the security of the United States.

The Secretaries of State and of Defense, the Chairman of the Atomic Energy Commission and the Director of the Bureau of the Budget are to be notified by you of this determination.

DWIGHT D. EISENHOWER

Recommended by: W. B. SMITH
The Department of State
A. C. DAVIS
The Department of Defense
JOS. M. DODGE
The Director of the Bureau of the Budget
LEWIS L. STRAUSS
The Atomic Energy Commission

[Enclosure 2]

Memorandum by the Director of the Foreign Operations Administration (Stassen) to the President

SECRET [WASHINGTON,] June 29, 1954.

Subject: Purchase of Thorium Nitrate from and Related Technical Assistance to the Government of India

Thorium nitrate is a source material for fissionable atomic energy uses as set forth in section 5(*b*) (1) of the Atomic Energy Act of 1946 [1] and by virtue of that is listed on Title I, Category A, item 203(*e*) of the Battle Act. This listing requires that aid be terminated forthwith, without exception, to any country receiving aid which "knowingly and willfully" ships such a material to the Soviet Bloc. In 1953 a shipment of this material was made from India to Communist China, which I have found not to be knowing and willful. Diversion or sale of such material to the Soviet Bloc is possible in the future in the absence of extraordinary efforts on the part of this Government to the end of preventing such shipments and/or diversions from India.

Negotiations have been underway which, if successfully consummated, will enable this Government to make a pre-emptive purchase of the estimated Indian production in excess of domestic requirements for the next several years. The political situation in India does not permit obtaining adequate assurances from the Indian Government that there will be no shipments to the Soviet Bloc in the absence of this pre-emptive arrangement. We have sought in negotiating this arrange-

[1] Also known as the McMahon Act, it was signed into law on Aug. 1, 1946, as Public Law 585. For the text, see 60 Stat. 755.

ment to provide the utmost security both as regards the disclosure of this arrangement and the achievement of a net result which will bring about a denial of fissionable materials of Indian source to the Soviet Bloc and the availability of this important material to the defense needs of the United States and the free world.

It is planned to purchase approximately 230 long tons of thorium nitrate at $2.20 plus duty per pound through a contract between the General Services Administration, on behalf of the Foreign Operations Administration, and the Government of India. The additional costs to cover a 30% ad valorem duty and administrative overhead bring the total estimated landed cost to $1,530,000. The Atomic Energy Commission has agreed to repurchase all thorium nitrate procured under this contract at the contract price of $2.20 per pound. In addition, in order to conclude successfully these purchase arrangements with the Government of India, it will be necessary to provide technical assistance for scientific and industrial research in the amount of approximately $670,000 (equivalent to $1.30 per pound of the thorium nitrate to be purchased from the Government of India).

Section 303(*a*) of the Mutual Defense Assistance Act of 1949, as amended, authorizes the President to expend funds in the General Area of China to accomplish the policies and purposes declared in that Act. It is recommended that up to $2.2 million appropriated pursuant to this Section be made available for use as needed to defray these costs.

Although there is no specific legislative provision which requires the submission of a program determination of this nature to the President for approval, it has been the consistent practice within the Executive Branch to seek such approval whenever an entirely new program has been proposed for implementation under the broad provisions of Section 303(*a*) of the Mutual Defense Assistance Act. Accordingly, it is recommended that the President sign the attached determination.

This recommendation has the concurrence of the Secretary of State, the Secretary of Defense, the Chairman of the Atomic Energy Commission, and the Director of the Bureau of the Budget.

HAROLD E. STASSEN

891.2546/6–754 : Telegram

The Secretary of State to the Embassy in India [1]

SECRET WASHINGTON, July 8, 1954—5:51 p. m.

24. Re Embtel 1784, June 7, 1954.

1. Phrase "at dock New York" should read "ex dock New York". Department's A–401, April 27, 1954, gives detailed definition.[2]

[1] This telegram was drafted by Hamilton of S/AE and was signed by Smith of S/AE.

[2] Not printed; see footnote 3, p. 1756.

2. Agree replace words "Atomic Energy Commission" with words "the Government of India" in clauses 2 to 6 of the memorandum.

3. Agree to inclusion of *force majeure* clause, details to be worked out in procurement contract.

4. Accept minor changes proposed reftel paragraph 4, *a* through *d*.

5. Can not accept GOI suggested additional clause at end of paragraph 4. This provision could reduce US receipts thorium nitrate to insignificant quantities extending over indeterminate number of years. Would also present most difficult budgetary problem through necessity keeping funds available over long, indefinite period.

Reject proposed deletion from memorandum paragraph 6 of phrase "through no fault of its own."

6. On assumption GOI will accept above modifications, Embassy may indicate them as mutually agreed amendments to Memorandum of Commitment of April 10, 1954, as earlier modified by Deptels 1230, April 22 and 1259, April 30.[3]

DULLES

[3] Not printed; see footnote 1, p. 1756.

891.2546/7–2954: Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, July 29, 1954—7 p. m.

131. Following several discussions between Embassy and Bhatnagar, Jha [1] of MEA on July 27 handed Embassy representatives note dated July 26 which in effect finalized agreement to memorandum of commitment dated April 10, 1954 regarding purchase thorium nitrate by United States from India (Deptel 24, July 8). Note withdrew GOI proposal for amendment clause 4 and expressed agreement other minor textual changes.

In acknowledging note Embassy confirmed final agreement and stated purchase contract incorporating agreement now being prepared for submission GOI for its examination. Note expresses hope final signature contract may be effected shortly. TCM/I preparing draft this contract in consultation GOI. Text will be submitted Washington for approval prior finalization in Delhi. Please indicate who should sign on behalf GSA. Jha and Embassy representatives tentatively agreed no final official text of memorandum of commitment would be prepared incorporating various amendments although for working purposes clean draft would be prepared by Embassy. This arrangement adopted in order avoid any possible budgetary or other confusion which might

[1] B.N. Jha was Secretary of the Ministry of Communications.

arise should original memorandum and amended version carry different dates. Texts of notes and documents being airpouched.[2]

ALLEN

[2] The notes and related documents were transmitted to the Department in despatch 152, July 30 (891.2546/7–3054).
For documentation regarding the discussions relating to the purchase contract and operational agreement, see Department of State file 891.2546.

791.5 MSP/9–1054

The Indian Ambassador (Mehta) to the Acting Secretary of State

The Ambassador of India presents his compliments to the Acting Secretary of State and has the honour to state that the Government of the United States of America has authorized release of twenty-six (26) C–119G Fairchild Packet aircraft to the Government of India on reimbursable basis under Section 408(e) of the Mutual Defense Assistance Act of 1949, as amended. The Government of India visualizes that in the long term utilization of these aircraft and consequent wastage due to normal wear, tear and accidents, etc., the Government of India would require an additional twenty (20) to twenty-four (24) C–119G Fairchild Packet aircraft some time in the year[s] 1956 and 1957.

Informal discussions have already taken place with Headquarters United States Air Force to indicate the availability of these extra aircraft and the approximate cost involved. Headquarters United States Air Force have now notified that information on this subject would be furnished on advice and necessary authorization from the Department of State.

The Ambassador of India will be grateful if Headquarters United States Air Force could be authorized to release the necessary information to the Government of India.

The Ambassador of India takes this opportunity to renew to the Acting Secretary of State the assurances of his highest consideration.[1]

WASHINGTON, 10th September 1954.

[1] On Sept. 23, Frederick E. Nolting, Special Assistant to the Secretary of State for Mutual Security Affairs, informed Maj. Gen. George C. Stewart, the Director of the Office of Military Assistance in the Department of Defense, that the Department of State approved this contemplated purchase (791.5 MSP/9–1054).

891.2546/9–2954

Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan) to the Acting Secretary of State [1]

SECRET [WASHINGTON,] September 29, 1954.

Subject: Beryl Arrangement with India

The US may be faced with the need to decide before September 30, 1954 on the renewal of its arrangement with India for procurement of Indian beryl, an atomic energy material. Beryl is in Category I–B under the Battle Act—which means that it is of "primary strategic significance". It is on the National Stockpile list because of its industrial uses. The difficulty of this decision stems from the fact that our AEC, after consultation with other US materials procurement agencies, informs us that there is no present requirement which would support renewal for five years as provided for in the Arrangement.[2] Even though the AEC is prepared now to finance one year of the five-year renewal policy, funds are not readily forthcoming for the full commitment which would be involved in the renewal.

The Arrangement provides for supply of Indian beryl at world market prices. The value of shipments has averaged about $150,000 a year. The Arrangement provides for automatic renewal for five years from September 30, 1955 if notice of termination is not given by September 30, 1954.

This Arrangement for Indian supply of beryl to the US Government is secret. It is, we believe, as politically advantageous now as it was when signed in 1950. It is important to the US national interest to renew the Arrangement for the five-year period because: it would help prevent problems similar to those which confronted us in our relations with India before our recent difficult negotiations on thorium compounds; it bears on the principle of "trade not aid", and permits US influence on atomic energy development in India. Embassy New Delhi urges consideration of the adverse effect of termination at this time when Soviet economic penetration is being reinforced. The Ar-

[1] This memorandum was drafted by Fluker of SOA and had the concurrence of the Bureau of Economic Affairs and the Consultant to the Secretary of State for Atomic Energy Affairs.

[2] The United States and India concluded an arrangement on Oct. 1, 1950 whereby India would sell and the United States would buy beryllium oxide either as beryl ore or as beryllium hydroxide. For documentation regarding the negotiation of this arrangement, see Department of State file 891.2546.

rangement should be renewed and funds found to cover the commitment.

While the Department of State does not presume to anticipate future requirements for beryl, it must note that it would undoubtedly be difficult to negotiate a new contract with India in the event of a need such as existed in 1950.

If by September 30 India does not accept a proposal we have made through our Embassy at New Delhi—for a one year extension of the initial period of the Arrangement—we must be prepared to put up the money or give notice of termination.

Since receipt recently of the AEC response to our formal presentation of the matter to it on June 24, discussions with other interested agencies have indicated that, while funds might be available, no commitment is forthcoming. We are informed that Governor Stassen believes FOA could underwrite the renewal if necessary, but believes that a Presidential directive should order AEC to renew the Arrangement.

Recommendation:

That you take advantage of the OCB meeting this afternoon to:

1. secure agreement that, in the light of U.S. policy interest, the renewal of the Arrangements should be allowed to come into effect; and
2. assuming more than one agency has authority and fiscal capability, get agreement that, within say thirty days, there will be a determination among them (or by the President if necessary) as to which one or more of the Agencies is actually to finance the Arrangement.

[Attachment]

UNITED STATES ARRANGEMENT FOR PURCHASE OF INDIAN BERYL

Under date of October 1, 1950, there was concluded an Arrangement with the Government of India whereby India will sell, and the United States Government will buy, beryllium oxide either as beryl ore, or at the option of the Government of India, as beryllium hydroxide. The United States Government may be required to buy in any one year as much as 15,000 long ton units of such beryllium oxide.

The Arrangement, the working details of which were negotiated between representatives of the Atomic Energy Commissions of both countries, also provides that certain information and assistance in the atomic energy field may be provided to India by the United States Atomic Energy Commission. Article 12 of the Arrangement provides for renewal for two consecutive five-year periods after the initial five-year period ending on September 30, 1955, on the same terms and conditions, except as to renewal, unless either party should give notice to the other in writing of its desire to terminate the Arrangement at least

one year before the end of any five-year period during which the Arrangement is in force, in which case the Arrangement shall come to an end on the expiry of the period of notice. Thus, if the United States desires to terminate this Arrangement at the end of the first five-year period, notice must be given in writing to the Government of India by September 30, 1954. In the absence of such notice, the Arrangement is automatically renewed for another five-year period.

The Atomic Energy Commission, after carefully examining its own needs and inquiring as to possible interest on the part of the Department of Defense, the Emergency Procurement Service, and the Office of Defense Materials, informs us that there is no present beryl requirement which would support a renewal of the Arrangement.

The Department of State believes that renewal of the Arrangement for the full five-year term is in the interest of the United States; conversely, failure to do so will be prejudicial to the interests of the United States foreign policy in Asia. The Arrangement is secret, covering an Indian commitment to supply the US Government with an atomic energy material. In this respect, the Arrangement represents a considerable accomplishment now as it did when signed in 1950.

This Arrangement is also consistent with the achievement of United States objectives through "trade not aid." It is important to note that the price of the beryl is the market price at the time of shipment.

Moreover, the Department of State believes that the Arrangement's provision for appropriate information and assistance to the Government of India, is of importance in maintaining United States influence in Indian atomic energy developments.

Embassy New Delhi, furthermore, urges that there be considered the political impact of United States withdrawal of the Arrangement at this time when the USSR is making a highly significant attempt at economic penetration of India by offering to finance the establishment of a fourth steel plant in India and to provide technical assistance in connection therewith.[2]

The renewal of the Arrangement also has some Battle Act ramifications, and a bearing on the recent negotiations for United States purchase of exportable Indian thorium compounds. The possibility of Indian thorium exports to Communist countries caused some concern which led to lengthy and difficult negotiations covering United States purchase of that commodity. Indian beryl might well cause similar concern, and jeopardize relations with India at a critical time.

Past deliveries of beryl under this Arrangement have amounted to about $150,000 a year. This value, however, might theoretically be increased to a maximum of about $1,300,000 a year if the Government of India chose, in accordance with Article 5, to substitute beryllium hy-

[2] For documentation regarding this Soviet offer, see Department of State files 891.33 and 891.331.

droxide for beryl. This latter contingency seems unlikely at least in the first few years of a second five-year period, since at present, there is no plant in India which produces this material.

It has been possible to offer the Government of India an extension of the present Arrangement for a one-year period. The Embassy in New Delhi was instructed to this effect by a telegram on September 20, 1954.[4] This telegram suggested that in view of the shortness of time, the GOI might wish to extend the date for decision on this offer from September 30 to November 16, 1954.[5] If the GOI responds to the latter part of this proposition by September 30, we shall have some additional time to consider the problems of trends and finances.

Against the possibility, however, that a response is not received from the GOI by September 30, the United States must be prepared for one of two alternatives: give notice of termination, or have at hand the means to support the automatic five-year renewal of the Agreement.

It is believed that one or more of the executive agencies may have the statutory power and available funds to underwrite the Arrangement for the next five years. However, while discussions among officials of interested agencies have indicated some agreement that the renewal of the Arrangement should be allowed to come into effect in the United States national interest, these same discussions show little likelihood that by September 30 any specific part of the Executive Branch is prepared to underwrite the cost of the renewal beyond the first year.

---

[4] The reference is to Department of State telegram 344 to New Delhi, Sept. 20, 1954, not printed (891.2546/8–2554).

[5] The Embassy in New Delhi informed the Department in telegram 426, Sept. 30, 1954, not printed, that it had received a note from the Ministry of External Affairs that same day, in which the Indian Government asked the Embassy to extend the deadline from Nov. 16 to Dec. 31, 1954 (891.2546/9–3054).

611.914/10–554

The Chargé in India (Kennedy) to the Department of State

LIMITED OFFICIAL USE — NEW DELHI, October 5, 1954.

No. 419

Subject: Developments in the Proposed Treaty of Friendship and Establishment Between India and the United States

As of August 27 Mr. Donald D. Kennedy, Chargé d'Affaires, a.i., addressed a letter to Mr. Pillai, Secretary-General, Ministry of External Affairs, in reply to Mr. Pillai's letter of June 6 to Ambassador Allen wherein Mr. Pillai enumerated some points in the latest draft

treaty that the Government of India desired to clarify or amend (Embassy's D–1956 of June 15, 1954). Mr. Kennedy took the occasion to inform Mr. Pillai of the arrival of Mr. Frederic P. Bartlett as the new Counselor for Economic Affairs and expressed the hope that the Embassy could now proceed with discussions on the proposed Treaty. The Joint Secretary, MEA, Mr. M.A. Husain, replied as of September 18 that Mr. B.K. Nehru, Joint Secretary in charge of the External Finance Division in the Ministry of Finance, has been designated by the Indian Government to conduct negotiations on behalf of the Government of India. Mr. Husain expressed regret that a delay would be occasioned due to the designation of Mr. B.K. Nehru to visit Washington, and indicated that Mr. Nehru would not be available for treaty discussions before the end of October.[1]

It appears that until such time as Mr. B.K. Nehru's schedule permits his attention to the proposed FCN Treaty, the GOI contemplates at this time no other move to expedite the discussions.

For the Chargé d'Affaires, a.i.:
FREDERIC P. BARTLETT
Counselor for Economic Affairs

[1] None of the letters, which were enclosures to this despatch, is printed.

Editorial Note

Acting Secretary of State Hoover and the Indian Ambassador to the United States, G.L. Mehta, on October 21, 1954, signed and thereby brought into force a United States–India copyright agreement. For the text, see TIAS No. 3114, printed in 5 UST (pt. 3) 2525.

Editorial Note

The Postmaster General of the United States, Arthur E. Summerfield, on September 17, 1954, and H. L. Jerath, the Director General of Posts and Telegraphs of India, on July 29, 1954, signed a United States–India parcel post agreement. President Eisenhower on November 1, 1954, approved and ratified the accord, and it entered into force on January 1, 1955. For the text, see TIAS No. 3229, printed in 6 UST 819.

033.9111/11–454

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State [1]

SECRET [WASHINGTON,] November 4, 1954.

Subject: Recommendation for the President to Ask Prime Minister Nehru to Visit him during 1955

Discussion:

For some time I have been concerned about our deteriorating relations with India.

Recognizing that our policy toward Communist China has been a continuing source of disagreement with India, the basic causes of the deterioration are (1) our military aid program for Pakistan, and (2) our policy of collective security through military arrangements, particularly those affecting South and Southeast Asia, which India considers within its legitimate sphere of strategic interest.

Because of widespread Indian resentment toward these policies our substantial economic aid programs for India and our information and cultural efforts to improve United States-Indian relations have in a sense become holding operations rather than means of extending our influence. It is entirely possible that the Congress may be tempted in the future to cut India off from special economic assistance, which could only make matters worse. Moreover fractional increases in our economic aid or cultural programs for India probably would not, at this time, greatly improve our relations with India.

Since no significant change in the policies to which India objects is likely in the foreseeable future, we should find some means of making those policies more acceptable to India. In my opinion the only way in which that might be done would be through a personal approach to Prime Minister Nehru by President Eisenhower himself. Nehru virtually dictates the foreign policy of India, and as long as he remains alive and with his full mental powers he will continue to exert enormous influence on our relations with India. It is evident that to some extent, though by no means completely, he misunderstands our foreign policy objectives and measures, and further that he feels he has not been sufficiently consulted in our approach to Asian matters of vital importance to India. I understand that Nehru's sister, Madame Pandit, believes that if Nehru were to spend two days with the President in informal surroundings and have the opportunity to get to know him and to exchange ideas with him and to hear the President express his views on world problems and our efforts for peace, it might effect a profound change in the Prime Minister's attitudes toward the

[1] This memorandum was drafted by Harold G. Josif of SOA and by Henry T. Smith, the Acting Director of the Office of South Asian Affairs.

United States. I believe that it is in our national interest to make the effort.

I consider it extremely important that this visit be regarded in terms of a major personal and public relations effort which, if successful, would be of incalculable value to the United States.

Recommendations:

1. That you discuss the problem of United States–Indian relations with the President and suggest that he invite Mr. Nehru to visit with him in the United States during 1955.

2. That you emphasize that if the visit is to succeed it should be an extraordinary gesture by the President to Mr. Nehru personally (accompanied by a minimum of formality).

3. That you suggest the visit should last at least two days, preferably at the President's farm near Gettysburg, or at his summer vacation residence in Colorado.[2]

---

[2] The following handwritten notation appeared at the bottom of the source text: "Sec.—While this has to be considered very carefully I see much merit in it if handled properly. Here is one case where the visitor would not come begging for aid! B[yroade]."

611.9194/11–1054 : Airgram

The Secretary of State to the Embassy in India[1]

CONFIDENTIAL WASHINGTON, November 10, 1954.

Subject: Air Agreement Problem

A–124. For: Ambassador Allen. On November 3 Dept and CAB received views Air Transport Association, TWA and PAA on best course USG action this problem.

Dept and CAB have now determined it to be desirable and urgent end US official silence this matter with immediate approach by you to GOI with aim ~~ttaining continuation U.S. carrier commercial services India on basis compatible with established world-wide US international air transport policy.

Dept and CAB convinced type and tactic of approach vitally important assure best chance realization U.S. aims. For this reason instructions this telegram provide for four distinct approaches which should be taken in sequence in course your handling this matter. Your first interview with GOI should be for purpose presenting Approach One. Approach Two should not be presented until considered GOI response is made to Approach One. Your advancement to other positions as required should be in same manner. Officials in GOI, level of approach, timing, and use of oral interviews, *aides-mémoire*, formal notes,

---

[1] This airgram was drafted by Ernst of the Aviation Policy Staff and was signed by H. Alberta Colclaser, Chief of the Air Transport Branch of the Aviation Policy Staff.

etc. left your discretion (subject penultimate paragraph) but should be made in best manner assure sympathetic examination each approach by GOI. Inform Dept if you perceive any disadvantages above procedure and following Approaches.

1. *Approach One*

In order to break ice GOI should be informed to effect US has carefully reviewed basic policy positions taken by GOI and USG during 1953 aviation consultation both in light of experience since then and in relation world-wide air transport policy of US. USG has concluded from this review that there appears to be very small prospect of reconciling basic policy positions at this time. In the light of this apparent impasse we desire to open door for GOI expression of its views regarding possible solutions of difficulty so as achieve common benefits of uninterrupted continuation air services under US–India air transport agreement signed 1946. USG believes it would be most unfortunate for Indo–US relations in many fields, particularly in cultural and commercial interchange, for there to come about cessation US airlines commercial flights India this time.

FYI. This approach should take the form of setting forth number of considerations supporting foregoing belief with hope that GOI will find them reasonable and a basis for continuation air service under 1946 Agreement. (Statement of these considerations is accompanying this communication.)[2]

To extent that you consider it effective, presentation should be made in written form in addition to oral presentation. This position designed obtain fullest possible statement current overall GOI attitude on problem and inform GOI of current USG views. Dept and CAB anxious have available current expressions GOI position soonest. Indications exist (Emb Desp 425)[3] GOI prepared enter some kind "interim arrangement" and it is hoped obtain elaboration on this without giving impression that US willing enter arrangement incompatible with established US world-wide air policy. Bluntly, US desires GOI without apparent US stimulation to propose withdrawal of denunciation. Dept does not believe US should suggest GOI withdrawal of denunciation. End FYI.

2. *Approach Two*

Second approach at appropriate time might take form of suggestion that procedure for schedule changes be adopted for use accordance existing agreement. Carrier wishing increase schedules over a route segment into or through India would notify other government of proposed change 30 days advance effective date such change. Absence of

---

[2] This enclosure, "Suggested Statement for Use by Ambassador Allen in Connection with Initial Approach to GOI on Air Transport Agreement Problem," is not printed.

[3] Not printed.

reaction during 30 day period would be interpreted as absence of objection. However, if govt. believed proposed service unwarranted under agreement it could so notify other govt. and service would go into effect for one year only, with understanding that either govt. may request consultations at end that year to determine whether service should continue. During year's trial operation no other increase would be made over such segment without advance agreement two govts.

FYI. Above approach, proposed by TWA, not considered by Dept and CAB to be likely to appeal to Indians. TWA says it has reason to believe Indians disposed to accept proposal. Despite USG doubts if you, from own information and observance Indian reactions, believe presentation valuable you are authorized to use the position. If no value, or if even possible detriment involved, do not use.

Approach considered weak because under agreement as now understood by both governments no specific period of experience is required before capacity consultation can be requested. Therefore arrangement requiring period of one year before consultation is more stringent to GOI than existing agreement.

This approach may also be altered if necessary by reducing the year to not less than 6 months and/or by providing that dissatisfied govt. may definitely ask at beginning of service for consultation to commence at end of trial period, such consultation to be held unless request withdrawn. If consultation held service would continue during time of consultation. End FYI.

3. *Approach Three*

You should request GOI postpone date of effectiveness of denunciation air agreement. In return USG prepared agree US airlines operating under Agreement will not, during period postponement, increase frequencies without prior concurrence both govts. USG believes further experience international operations airlines India and US will bring closer together views of GOI and US on air transport policy matters.

FYI. If GOI agrees to postponement, you should try to make it at least one year. In your discretion you should restate as many of arguments provided in pouched instruction as appropriate. In addition, you should point out to GOI that in accepting this suggestion it is left in a position in which it does not have to be concerned about an increase in US carrier frequencies during postponement, while at same time Indian economy is not deprived of significant tourists and trade for which US carriers are directly or indirectly responsible. Moreover, termination notice would remain outstanding thus requiring further consideration of problem before the end of postponement period if US services are to be continued beyond that period. In your discretion you may inform GOI that this suggestion is considerable concession by USG in interest settlement. End FYI.

213-752 O - 83 Vol XI - Pt. 2 - 46

4. *Approach Four*

In belief that GOI and USG understand each others' positions on provisions of agreement on which there is dispute as well as reasons for these positions USG, after deepest reappraisal problem, makes following proposal with profoundest hope that GOI will accept it in mutual interest avoiding severance Indo-US commercial aviation relations. Proposal is that procedure for filing of schedules under Article VII (*b*) of agreement be revised so that if aeronautical authorities of one party object to an increase in existing service by an airline of other party, those authorities may *immediately* bring about intergovernmental consultation of type referred to in Articles IX and X of agreement to examine proposed increase in service in light of provisions of agreement. New service would go into effect thirty days after filing, unless by intergovernmental agreement arrived at prior to that date it was determined that proposed new service was not warranted. Ultimate disposition of new service would be decided as result of aforementioned consultation.

FYI. This position may be regarded as an adjustment in US interpretation of Bermuda principles. It was arrived at with great reluctance and only because of unusual circumstances in India and great importance to US of continuation of US commercial airline service to India. USG position on this matter previously taken with GOI was that consultations involved could not be brought about by objecting govt. until a reasonable period of operating experience with new service had been had, such period not being less than six months. Under Approach Four, added service would be examined on basis experience of existing services. If GOI accepts this proposal would expect withdrawal present termination notice accordance Article X(*e*). End FYI.

5. *Summary Remarks*

Above approaches are interpretations of present agreement and therefore amendment not required. At present time Dept and CAB cannot envisage any other proposals that USG could make to GOI in order preclude withdrawal US carrier services. However, we wish to examine closely all GOI reactions and any GOI proposals before informing US carriers they should prepare for termination. In event of termination, USG would expect to retain rights under International Air Services Transit Agreement [4] to make non-traffic stops in India.

Full substance GOI reactions should be cabled Dept as obtained. You are authorized resolve problem on basis any US positions contained this instruction. Should GOI seek exchange notes on such basis, cable full suggested text Dept for advance approval. Any solutions ad-

[4] This agreement was signed in New Delhi on Nov. 16, 1946. For the text, see TIAS No. 1586, or 61 Stat. (pt. 3) 2373.

vanced by GOI should be cabled Dept for comment prior notification to GOI of firm USG reaction.

Contents this instruction have not been disclosed to US carriers. In view conflicts between US carriers and differences in approach believed essential that contacts be maintained by Dept and CAB with policy officials of companies in US. Therefore, request you avoid giving carriers substantive information on developments unless exceptional circumstances indicate otherwise. You should inform Dept of any substantive information you convey to carriers. Dept advising carriers that general information will be available here.

DULLES

791.56/11–1054

The Ambassador in India (Allen) to the Department of State

LIMITED OFFICIAL USE NEW DELHI, November 10, 1954.

No. 526

Subject: Surplus Property Settlement

Reference is made to the Embassy's telegram No. 29 of July 6, 1953 which summarized a note received from the Ministry of External Affairs under date of July 1, 1953, in reply to a note from this Embassy on the subject of American surplus property disposals in India. As mentioned in that telegram, 5 copies of the MEA note were personally transmitted to the Department by Mr. John Loftus, then Economic Counselor of this Embassy.

In the note under reference the Ministry of External Affairs: (1) stated that because of certain unsettled claims, it was unable at that time to settle accounts on sales of surplus commodities made prior to July 1, 1948, and (2) suggested that, because of certain circumstances set out in the note, the Embassy would "perhaps agree that no purpose of sharing of the sale proceeds affected after June 1948".

According to Embassy records, correspondence with the Government of India on this subject rests with the note under reference. The Embassy is now desirous of making a further effort to settle this matter. It proposes to inquire of the MEA if a settlement may now be made on accounts prior to July 1, 1948. At the same time, however, it would appear desirable to comment on the MEA proposal that the U. S. Government forget about renegotiating the "cut-off" date. The Embassy is inclined to discount the GOI contention that handling and storage charges have more than consumed realizable proceeds. It is of the opinion that the question should at least be explored further with the GOI. The Embassy, however, would appreciate instruction on this point. It will withhold any approach to the GOI on the subject

pending receipt of such instruction and guidance as to the approach which might be taken. Possibly information on experience in other countries would be helpful.

For the Ambassador:
FREDERIC P. BARTLETT
Counselor for Economic Affairs

033.9111/11–1254 : Telegram

The Ambassador in India (Allen) to the Department of State

SECRET NEW DELHI, November 12, 1954—11 p.m.

630. Limited distribution. Department's 550, November 8.[1] I have given considerable thought to suggestion in reference telegram and discussed it with key members of my staff. Our conclusion is that despite certain adverse factors, invitation by President for Nehru to visit him personally with minimum formality would be highly advantageous.

Adverse considerations are that invitation might be construed as undue wooing of Nehru, particularly if during period between now and time invitation is extended, he continues to show strong disagreement with certain of our politices and aims in Asia and equally strong sympathy, at least in public statements, for Red China. It seems unlikely that Nehru will change or even seriously modify his public opposition to such US policies as SEATO[2] or military aid to Pakistan and visit might therefore not be very productive. Morover, his only previous visit to US, in 1949, may have left him less favorably disposed towards US than previously.

On the other hand, Nehru dominates opinion in India more fully than probably any other chief of government in any country does today. Through his influence on other countries, he may control balance of power between free world and Soviet bloc. Even though there is no assurance that his opposition to some of our policies can be mitigated, we should at least make every feasible effort to do so. He is inclined toward personal negotiations, and we should take advantage of this fact, utilizing tremendous asset we have in personality of President.

Visit would have to be most carefully handled. While Nehru officially disclaims desire for public fanfare, he in fact enjoys mass demonstrations tremendously if they are friendly disposed. Ostentatious display of power and wealth are anathema to him. One inadvertent

---

[1] Not printed; the Department informed the Embassy that the Department was considering a recommendation to the President that he invite Prime Minister Nehru to the United States in 1955. Before making this recommendation, however, the Department wanted the Embassy's views (033.9111/11–854).

[2] For documentation regarding the creation of the Southeast Asia Treaty Organization, see volume XII.

remark made at a public meeting while he was in New York in 1949 did much to spoil entire effect of visit. He is instinctively opposed, both by birth and political orientation, to private businessmen whom he considers by and large to be tradesmen, money lenders and exploiters. Like his Brahmin forebearers, he considers accumulation of large personal wealth to be crude and even wicked. A spokesman in New York who drew his attention to fact that persons in audience were worth more than billion dollars could not possibly have made worse remark.

My support of Department's suggestion is based on confidence that private visit to President Eisenhower would be far different from previous experience.

By coincidence, Durga Das, assistant editor of *Hindustan Times* and often used as mouthpiece for GOI, called on me today to let me know that he had just received confidential advice from friend of his in Washington stating that he understood President Eisenhower was considering inviting Nehru to come for quiet personal talks. I pretended much surprise and asked what he thought of idea. He said he thought it was best thing that could happen. He said US had always sponsored concept that at least one Asian power should be included among big five powers. Since China was no longer acceptable to us, India was obvious replacement for time being. He thought consultation between President and Nehru prior to any possible big four meeting would show that US desired to consider India views and might well turn tide in India-American relations. He emphasized that visit should be personal, with minimum of protocol. He suggested timing might be March or April, following meeting of Commonwealth Prime Ministers and Afro-Asian conference in February. He hoped announcement could be made earlier—perhaps about time of Commonwealth conference, but certainly on or before any announcement of any big four meeting.

ALLEN

791.11/11–1854

Memorandum by the Deputy Under Secretary of State (Murphy) to the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade)

SECRET [WASHINGTON,] November 18, 1954.

Subject: Possible Visit of Prime Minister Nehru During 1955.

Reference: Your Memorandum to the Secretary Dated November 4 Recommending a Visit of Prime Minister Nehru During 1955.

This matter has been taken up with the Secretary and the Under Secretary. Such a visit is not, on balance, considered desirable.

In this connection, it is understood that a proposal was made that the President send a warm personal letter to Prime Minister Nehru regarding the recent visit of the Vice President of India to the United States. Please inform me of the present status of this proposal.[1]

[1] Assistant Secretary Byroade on Nov. 22 sent a memorandum to the Secretary of State recommending, with the concurrence of Under Secretary Murphy, that he, the Secretary, suggest to President Eisenhower that the President send a warm personal letter to Prime Minister Nehru (033.9111/11-2254).

611.9194/11–2454 : Telegram

The Ambassador in India (Allen) to the Department of State

CONFIDENTIAL NEW DELHI, November 24, 1954—6 p.m.

700. In two hour conversation November 23 with B. N. Jha, Secretary Ministry Communications and L. C. Jain, Director General Civil Aviation, I explored possible basis for solution aviation impasse in light Department's A–124, November 10. Emphasizing unfortunate consequences which termination US air services to India might have on relations between two countries, I said USG anxious find practical solution.

In response my query re GOI view of situation which would exist on January 14 in absence agreement, Jha called in deputy Secretary Venkatachalam who said traffic rights US carriers would legally cease that date; transit rights would continue unabridged. Jain agreed this view. Jha then said only basis on which American carriers could continue operate would be with unilateral authorization GOI. It was not inconceivable, he said, such authorization would be granted upon request of carriers submitted through Embassy, but on conditions set out by GOI.

Jha commented GOI position had hardened since 1953 consultations because of inflexible US attitude to GOI view that no increase in frequencies be made without its consent. GOI, he said, does not insist on unilateral right to restrict (or as Jha emphasized to regulate) frequencies and fifth freedom traffic but does insist that level of traffic be mutually agreed to in advance. GOI, he asserted, could not agree to any proposal which would permit frequency increase without its consent. Inherent right GOI regulate frequencies is recognized even under present agreement through right of denunciation, Jha remarked. In GOI view, however, mutual pre-determination is essential.

Speaking personally I said it was my hope that as a minimum the frequencies of US carriers immediately after January 14 whether under terms of any new agreement or under authorization procedure would remain at present level. This plus my recitation of the tourist and related arguments elicited from Jha rather sardonic comment that "thought [*though*?] one was sweeter, record seemed same" as in 1953 talks. Continuation of US carriers at present frequencies, he said,

would be concession on part GOI in view US agreement during 1953 consultation that TWA frequencies excessive. I countered that that was 18 months ago and traffic had since increased substantially.

Interview with Jha terminated with understanding we would have further informal conversation prior my departure for Washington. On basis this conversation and that with Ram (Embtel 678 November 19),[1] I have concluded that GOI in effect rejects approach 1. It does not intend withdraw denunciation or permit *status quo* to continue after January 14. In belief approach two would be counterproductive I do not intend advance it.

In next conversation with Jha I will endeavor explore approaches three and four. Approach three a possibility, but seems more likely GOI will insist on termination after which it may unilaterally authorize temporary continuation services, perhaps at reduced level, while some permanent solution sought. In this connection I warned that reduction in frequencies below economic level might cause carriers discontinue services entirely.

GOI of course would almost certainly agree to continuation present agreement provided we would recognize its right in confidential exchange of notes to regulate frequencies and fifth freedom traffic on basis annual review. This, Jha acknowledged, is method employed with British and Dutch.

ALLEN

[1] Not printed. (611.9194/11–1954)

611.9194/11–2554 : Telegram

The Ambassador in India (Allen) to the Department of State[1]

CONFIDENTIAL NEW DELHI, November 25, 1954—1 p. m.

702. Reference: Embtel 700, November 24. With specific reference to approach one in Department's A–124, November 10, both Ram and Jha made it entirely clear that GOI considers responsibility rests with US to make some new proposal regarding aviation agreement. GOI will not take initiative. I used all arguments regarding tourism, international understanding, tragic results of cessation of US aviation in India, etc. without any appreciable effect. GOI will certainly not withdraw denunciation unless we agree to basic principle of predetermination of frequencies and probably to percentage limitation on Fifth Freedom traffic. We will merely exacerbate situation if we give any further indication that we expect GOI to make new offer. I pointed out that US recognized India's sovereign right to determine what foreign airlines can do business in India and under what conditions

[1] This telegram was repeated to London as telegram 90.

Jha replied that our refusal to agree to predetermination was at root of all our troubles.

When I pointed out that BOAC had 15 flights to India per week against our six, Jha asked if we would accept some conditions as British. I asked what this would mean in practice. He said his experts had figured we would probably get about one flight a week under strict application of same formula to US as to UK. I said US contribution to world aviation, our aid to India, number of Americans travelling to India, and many other factors had to be considered. He said I was playing more or less same gramophone record US negotiators played last year.

As regards approach two in Department's A–124, we must bear in mind that Indians have inferiority complex and are basically afraid of power of American airlines, backed by US Government. Indians will not accept any agreement giving airlines right to increase frequency without prior GOI consent because Indians are afraid they would have difficulty in stopping flights once they had been inaugurated. Jha referred several times with acerbity to TWA inauguration of additional frequency "on its own" two years ago. Indians have already categorically refused any suggestion along line of proposal two, and Jha did so emphatically again yesterday. As regards TWA belief GOI might accept this proposal, both TWA and PAA have at various times had reason to believe GOI was relenting on this or that point, but they all hinge on our acceptance of prior consultation and mutual agreement before flights are inaugurated. If we accept this principle, I believe we can get a reasonable agreement. If we refuse, American aviation here will probably cease on January 15.

As regards approach three, I think it barely possible we might obtain agreement for continuation of present frequencies provided we accept basic Indian position in principle. I told Jha quite frankly that I personally was working on problem with this in back of my mind but I was not certain Washington would be able to agree. Jha expressed appreciation for my understanding of Indian position and said he believed all difficulties could have been avoided if we had approached problem from this point of view from beginning. He commented, however, that in suggesting maintenance of present schedules, I was asking for more than we were willing to accept last year, when we volunteered to reduce TWA flights to two per week. I said aviation travel had increased since that time, Air India International was flourishing, and I could not accept any reduction over present schedules.

I asked both Ram and Jha why GOI insisted on limiting both frequency and percentage of Fifth Freedom traffic. I referred to diffi-

culty of controlling percentages and thought one limitation could protect Indian position adequately. Both said they personally agreed but that "experts" felt both limitations were necessary "for various complicated reasons". Chief reason seems to be that planes are continually getting larger and limitation merely on number of planes per week might not mean much in next few years.

Indians would have same basic objection to approach four as to all others, i.e., it does not require prior mutual agreement. I believe more harm than good would be done if we advance it.

At one point I reminded Jha that American lines would probably close shop if they were reduced to some ridiculous figure such as one per week. He asked me what I thought minimum they would accept. I said they were not thinking of minimums but of maximums. Jha returned to this point again later and asked if I could obtain any information in this regard.

Middleton, UK Deputy High Commissioner, commented to me last night that "very small percentage" of BOAC business to and from India is Fifth Freedom traffic, due to "enormous" number (perhaps 25,000) British citizens in India and greater number (perhaps 80,000, he said) Indians and other Commonwealth citizens in UK. While British will probably not try to hamper our negotiations with Indians, I do not believe we can count on any particular help from that quarter. My remark to Jha that British would probably pick up most traffic if our lines stopped did not appear to cause him concern. British would prefer our type of agreement and would immediately demand similar treatment if we succeed in overcoming Indian objections. Indian realization of this fact makes it less likely that they will agree to our proposals.

Our arguments regarding tourist trade have surprisingly little effect on most GOI officials. Good deal of latent Xenophobia exists among even most sophisticated Indians, and picture of American tourists flocking over India is distasteful to them.

In order to obtain new air agreement with India, we must recognize that many key Indians, including Jha, would not be greatly distressed if American aviation ceased entirely. My best judgment is that we shall have to agree to mutual predetermination.[2]

ALLEN

---

[2] The Department instructed Ambassador Allen in telegram 642, Nov. 26, not printed, to explore the possibility of India's accepting Position 3 or Position 4, as the U.S. Government was still firmly opposed to predetermination. Moreover, the Department requested Allen after his next session, if there was no agreement, to cable his advice as to the best method for continuing the negotiations. (611.9194/11-2554)

411.9141/11–2954

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Deputy Assistant Secretary of State for Economic Affairs (Kalijarvi)[1]

CONFIDENTIAL [WASHINGTON,] November 29, 1954.

Subject: Program for India under Public Law 480[2]

We still have before us the Indian Government proposals, initiated last February, for the supply by the United States to India of 4.5 to 5 million tons of wheat over a three-year period. Although telegrams have been exchanged between Washington and New Delhi, and the Indian Government was assured that the U.S. would follow up on its approach as soon as legislation was available, no definitive consideration has been given the matter. We also have before us the Indian Government's informal request, made last week, in New Delhi, for one million tons of PL 480 wheat for this year.

The Indian Minister of Finance welcomed enthusiastically the statement of Assistant Secretary Waugh at the recent Colombo Plan conference in Ottawa, concerning the opportunities offered to underdeveloped countries to accelerate their economic development by means of Public Law 480. The Indian Finance Minister has since made public statements about India's opportunity to conclude a three-year arrangement with the United States, presumably based on earlier assurances that the United States would follow up on India's approach.

It is generally agreed that it is probably easier to achieve the three purposes of Public Law 480 under Title I in India than in any other country, the purposes being (1) to increase consumption while at least maintaining usual markets, (2) to move the surpluses, and (3) simultaneously to achieve other U.S. objectives through the use of the local currency, e.g. accelerate India's economic development. Three special circumstances obtain in India: (*a*) about one-fourth of consumption expenditures go for food grains; (*b*) it has unemployed resources which greater development expenditures can convert into increased production if agricultural commodities are available in sufficient quantities to meet the increased demand (if such agricultural commodities are not available, funds must be diverted from development to the financing of deflationary imports); and (*c*) India has a detailed development plan that can be expanded considerably if foodstuffs are available as reserves against possible crop failures or as the basis for expanded deficit financing.

The Indian Government has attached great importance to its proposals as a means of accelerating India's economic development. We

---

[1] This memorandum was drafted by Delaney and Fluker of SOA.

[2] The Agricultural Trade Development and Assistance Act of 1954 was signed into law as Public Law 480 on July 10, 1954. For the text, see 68 Stat. 454.

have in India the opportunity to place the emphasis on underdeveloped areas in the development and expansion of demand for agricultural commodities as stipulated in Public Law 480, and through a three-year program, to further the important U.S. policy objective of strengthening India's economy. The alleviation of fears of crop failures or inflationary pressures from increased development expenditures which a three-year program would bring about gives it significant advantages over a one-year program in terms of facilitating expanded development expenditures and concomitant increased consumption. In essence, the increased consumption caused by increased internal rupee development expenditures can only be brought about some time after the accelerated rupee expenditure policy is implemented. Therefore, it is important to undertake a three-year commitment on a three-year program now so as to stimulate the desired rupee expenditures now in order to increase consumption in subsequent years.

NEA believes that current decisions on Public Law 480 matters should take into account the long-standing nature of the Indian proposals and that serious discussions should be entered into at once to frame a comprehensive U.S. answer. We propose that the Department support the following position to be communicated to New Delhi:

a) the U.S. is prepared to meet India's request for one million tons of wheat under Public Law 480 in this year;
b) India must commit itself to purchase wheat this year in the amount necessary to meet U.S. "usual marketings" in India;
c) the U.S. is prepared to supply small quantities of butter and dried milk to India this year under Public Law 480;
d) the U.S. is prepared to make available the bulk of the sales proceeds for rupee loans to promote India's economic development, under Section 104(g) of Public Law 480;
e) the U.S. is willing to consider Indian Government suggestions for a three-year program, without commitment on a total three-year amount until discussions with the Indian Government indicate that a feasible program may be agreed upon.

NEA believes that a dispersal of Public Law 480 authority and funds largely among the economically developed countries—as appears to be the pattern in Department of Agriculture thinking—is shortsighted in terms of the capacity of underdeveloped countries to expand their consumption of United States agricultural commodities and is a deviation from the stipulation that special consideration shall be given to utilizing the Act "with appropriate emphasis on underdeveloped" marketing areas. Failure to be able to make good on our offers to the underdeveloped countries would seriously embarrass this Government. If necessary to assure a Public Law 480 arrangement with India of the magnitude we propose, NEA believes that the ceiling of $400 million under which the programs are presently being operated should be revised upwards.

791.13/11–3054

Memorandum by the Secretary of State to the President [1]

SECRET [WASHINGTON,] November 30, 1954.

Subject: Personal Letter to Prime Minister Nehru

I believe this might be a good time for a friendly and personal approach to Mr. Nehru. The reports we have received suggest that Mr. Nehru's visit to Peking may well turn out to be, on balance, advantageous to the West. We have considered that Nehru's policy toward Communist China has been one based on considerations of admiration and fear in about equal proportions. Reports suggest that as a result of his visit Nehru is more than ever concerned by the implications for India of Chinese Communist policies and strength. Your talk with Dr. Radhakrishnan [2] offers a suitable reason for a friendly letter to Mr. Nehru.

I recommend that you send a personal letter to Mr. Nehru and am enclosing a suggested message for your consideration.[3]

JOHN FOSTER DULLES

[1] This memorandum was drafted by William L. S. Williams, Officer in Charge, India–Nepal–Ceylon Affairs, on Nov. 22.

[2] President Eisenhower spoke with Dr. Sarvapalli Radhakrishnan, the Vice President of India, on Nov. 18. A memorandum of this conversation is in Department of State file 033.9111/11–1854.

[3] Enclosure not printed; for text of the letter as sent, see *infra*.

Presidential Correspondence, lot 66 D 204, "Eisenhower/Dulles Correspondence . . ." [1]

President Eisenhower to Prime Minister Nehru [2]

WASHINGTON, November 30, 1954.

MY DEAR PRIME MINISTER: On November eighteenth, I had a most interesting talk with Dr. Radhakrishnan. As you know, he had come to Washington at some inconvenience to himself to present on behalf of the Indian Council of States a new ivory gavel to the United States Senate. That friendly gesture symbolized the instinctive fellowship between our parliaments, and was warmly appreciated. Dr. Radhakrishnan has many friends in this country and it is always a pleasure to have him with us.

The gift of the gavel from India and the discussion I had with Dr. Radhakrishnan impressed me again with the many things which we hold in common.

I know how deeply you hope for world peace and how earnestly you are working to advance it. I too am entirely certain that there is

[1] The complete folder title reads as follows: "Eisenhower/Dulles Correspondence with Prime Minister Nehru 1953–1961".

[2] According to Department of State telegram 695 to New Delhi, Dec. 7, 1954, not printed, President Eisenhower's message to Prime Minister Nehru had been pouched to the Embassy on Dec. 1 (611.41/12–354).

no alternative to peace if ours is to be a happy and fruitful world. The policy of the administration is to work for the development of that atmosphere of live and let live among nations without which, I believe, efforts to settle problems by peaceful negotiation are not likely to succeed.

The policies of states vary as their views concerning their security requirements differ and as their peculiar circumstances warrant. This is natural and proper. I know that India is confronted with enormous problems, which sometimes cause you to see things differently from ourselves, but as I indicated to Dr. Radhakrishnan you have my sympathy and understanding in the tasks that are ever before you. What really counts is that there be common ground on which we can work out mutual problems and minimize differences. I believe the United States and India have such common ground in abundance. I do not consider that our differences in approach constitute any bar to growing friendship and cooperation between our two nations. Indeed, I cannot conceive that our two nations have any future but one of closer relations for our common welfare.

With good wishes and kind personal regard,

Sincerely, DWIGHT D. EISENHOWER

611.9194/11–3054 : Telegram

The Ambassador in India (Allen) to the Department of State

CONFIDENTIAL NEW DELHI, November 30, 1954—6 p. m.

729. Department telegram 642 November 26.[1] I am sending following communication to R.K. Nehru today, making proposal in accordance with approach 3 of Department's Airgram 124 November 10 re aviation:

"Dear Mr. Foreign Secretary:

I have received official instructions from my government authorizing me to propose an interim arrangement under which United States airlines operating under the Civil Aviation Agreement between the United States and India would not henceforth increase their frequencies to India without prior concurrence of both governments if the existing agreement could be continued in effect until other mutually satisfactory arrangements can be made. My government has in mind that this interim arrangement might continue for at least one year.

I regret that my departure from India tonight[2] makes it impossible for me personally to continue discussions on this subject, but the Chargé d'Affaires of the Embassy, Mr. Donald D. Kennedy, and the Counsellor for Economic Affairs, Mr. Frederick Bartlett, will be fully

[1] Not printed; see footnote 2, p. 1783.

[2] Ambassador Allen was returning to the United States on Nov. 30. He did not return to India as Ambassador; rather, he was appointed Assistant Secretary of State for Near Eastern, South Asian, and African Affairs on Jan. 24, 1955.

authorized to carry them on. If you could let Mr. Kennedy know your government's reaction to the above proposal, I should be most appreciative. He and Mr. Bartlett will be available for further discussion at any time with either the Ministry of External Affairs or the Ministry of Communications.

Sincerely, [Allen]"

I talked with R.K. Nehru about this last night. He commented, "In other words, you are proposing a standstill arrangement." I said, "Yes, more or less." He seemed fairly sympathetic.

Today, amid last-minute departure preparations, I spoke first to Jha by telephone for 15 minutes and later to Ram even longer. Both Jha and Ram immediately said our proposal was worse than we had offered last year when elimination of one flight to Bombay was "conceded". I pointed out that general aviation traffic had increased since last year and emphasized that American flights to India had not been increased for two years and that our present suggestion would freeze present level another year unless GOI concurred in increase. I said our present proposal in effect constituted *de facto* concurrence by US in predetermination of frequencies and that while our suggestion was for temporary arrangement at present level, it seemed to me very significant accommodation to Indian point of view. Both Jha and Ram said GOI would have right after January 14 not only to predetermine frequencies and Fifth Freedom percentage but more important, to reduce our frequencies. I said I could not agree to any reduction, that freezing us for three years was bad enough at time when aviation was steadily increasing and Air India International was doing well. Jha said our proposal would deprive India of freedom of action it would acquire within six weeks without offering anything in return. I said only real reason for reducing present level would be punitive. Jha denied any punitive intent but said GOI would probably reduce our frequencies on January 14 even if it increased them again later. I urged both Ram and Jha to consider our proposal carefully and sympathetically before making up their minds. They agreed, but Ram wanted to know whether our proposal was "take-it-or-leave-it" proposition. I said we would, of course, have to consider any alternative they might offer but repeated that they should accept this one since it was fair and even generous.

I described situation briefly today to Madame Pandit, who is on our side and favorably disposed toward American aviation. Unfortunately, she does not have much influence in this situation.

My guess now is that we may possibly get by with temporary elimination of only one flight to Bombay but this is by no means certain. GOI will probably insist, for face-saving if nothing else, that existing agreement terminate January 14. Jha said our efforts to extend present agreement were "too little and too late". I said very purpose of 12-month notice was to enable new developments during that time to be taken into account. He said he saw nothing new. I said increase in gen-

eral traffic and our willingness to freeze our frequencies if necessary for another 12 months were new.

My discussions have been friendly and agreeable throughout and I believe as favorable atmosphere as we could reasonably expect has been created. GOI will probably offer some counterproposal. I do not believe approach 4 would have any chance whatever.

ALLEN

611.9194/12–754 : Telegram

The Chargé in India (Kennedy) to the Department of State

CONFIDENTIAL NEW DELHI, December 7, 1954—3 p. m.

759. In MEA note dated December 5 GOI:

(1) Rejected proposal advanced by Ambassador Allen in November 30 letter to RK Nehru (Embtel 729, November 30).

(2) Asserted previous agreement would cease to have force on expiry period of notice "unless another agreement is concluded between the two governments before that date".

(3) Declared GOI did not desire operations US airlines should cease from date of expiry termination notice.

(4) Expressed willingness, pending conclusion of new agreement and should USG so desire, "to consider the grant of a temporary authorization subject to the terms and conditions of which the two US airlines could continue to operate in India for a limited period".

(5) Suggested discussion this matter at early date between representatives Embassy and Ministry communications.

Principal reason given for GOI rejection US proposal is fact US carriers would be allowed thereunder to continue present frequencies whereas (1) GOI have already pointed out that these frequencies are "far in excess of number justified by traffic between the two governments (*sic*)" and (2) the US representatives have themselves admitted that "here is justification for reducing the TWA frequencies to twice a week". There is not enough justification, note asserts, for allowing six frequencies a week to US airlines.

Note gives no indication of terms and conditions envisaged by GOI nor temporary authorization mentioned point four above nor does it indicate whether it expects request to originate with airlines or Embassy. A reduction in frequencies appears, however, be clearly contemplated.

GOI note reinforces Embassy conviction GOI will insist on predetermination and at least initial reduction US airlines frequencies. As stated Embtel 729 Embassy believes presentation approach four would serve no useful purpose. Embassy suggests that any decision regarding despatch high-level Washington negotiator mentioned Deptel 642 [1] be withheld pending discussion with Ambassador Allen following his return Washington about December 20.

[1] Not printed; see footnote 2, p. 1783.

Embassy withholding reply MEA note pending instructions. Text being airpouched.[2]

KENNEDY

[2] The Embassy in New Delhi pouched the text of the Indian note of Dec. 5 to the Department in despatch 606, Dec. 10 (611.9194/12–1054).

611.9194/12–1054 : Telegram

The Secretary of State to the Embassy in India[1]

CONFIDENTIAL WASHINGTON, December 10, 1954—6:15 p.m.

PRIORITY

716. Urtels 759[2] and 762.[3] Department believes misunderstanding of "immediately" and of Article IX has been important factor underlying Embassy recommendation on Approach 4 (A–124).[4] Department and CAB desire oral presentation Approach 4 with following explanation in view considerations outlined below.

Approach 4 contemplates consultation taking place promptly upon receipt request (without 60 days notice). Period between receipt request and concurrent consultation would be only that required for transmittal request in Washington and if necessary dispatch negotiation on first or possibly second available plane. Traffic experience utilized in consultation would be derived from operations at level of service existing at time of 30 day notice of increase to GOI rather than from operations at proposed new level. (FYI—CAB would obtain relevant carrier traffic statistics and maintain them on current basis in order be prepared such immediate consultation.) Thus if GOI requests procedure permits consultation take place very soon after GOI receipt airline notification increase in schedule and before inauguration increase.

At most new schedule might be operated for very short period pending conclusion consultation since if no agreement were reached GOI would have right under Article IX to impose forthwith unilateral restrictions upon service. (Reference Embassy telegram 1081 October 26, 1946 numbered paragraph 7; report Presidential Representative George A. Brownell regarding air mission to India and Middle East to President Truman dated December 2, 1946 page 27 numbered paragraph 3; and Summary Minutes May 11, 1953 Aviation Consulta-

[1] This telegram was drafted by Ernst of the Aviation Policy Staff and was signed by Edward A. Bolster, Chief of the Aviation Policy Staff.

[2] *Supra.*

[3] The Embassy in New Delhi reported in telegram 762, Dec. 7, not printed, that Jain, the Director General of Civil Aviation, had repeated the substance of the note reported in telegram 729, Nov. 30, 1954 (p. 1787), to E. F. Gerold, the Pan-American Airways representative in New Delhi (611.9194/12–754).

[4] Dated Nov. 10, p. 1773.

tion final paragraph page 2).[5] Lack of knowledge or understanding this agreed interpretation Article IX evidenced in Jain conversation reported despatch 576 [6] and in previous communications.

Embassy should point out if necessary that under existing agreement capacity consultation may be invoked any time regardless whether frequency increase contemplated.

Department and CAB believe awareness of GOI ability impose unilateral restriction following such immediate consultation would prevent United States carriers from filing schedule increases probably unacceptable to GOI.

Department hopeful careful explanation of right of unilateral action (Article IX) coupled with use of procedure proposed in Approach 4 may convince GOI (1) these do actually give GOI satisfaction connection its displeasure present agreement on basis GOI has insufficient control frequencies and therefore (2) there is no compromise GOI sovereignty involved in working of present agreement as contemplated by Approach 4.

If negative response received from GOI request Embassy obtain fullest possibe statement of reasons and without indicating query made under Department instruction exact nature terms and conditions which would be imposed on temporary operations after January 14.

DULLES

[5] None of these documents are printed.
[6] Not printed. (611.9194/11-2954)

611.9194/12-1354 : Telegram

The Chargé in India (Kennedy) to the Department of State [1]

CONFIDENTIAL PRIORITY NEW DELHI, December 13, 1954—11 a.m.

790. Madras for Kennedy from Will and Bartlett.

1. We appreciate helpful instructions contained in Deptel 716,[2] including interpretations re negotiating history set forth parenthetical references paragraph 4.

2. However, we are not clear how approach four contained A–124 [3] can be reconciled with Deptel 716 paragraph 4. Penultimate sentence approach four states new service would go into effect 30 days after filing unless determination such service was not warranted was reached by intergovernmental agreement; i.e., presumably giving US power block determination that such new service not warranted. On other hand paragraph 4 states if no agreement reached GOI could impose "forthwith unilateral restrictions upon service". Should Embassy mod-

[1] This telegram was repeated to Madras as telegram 75.
[2] *Supra.*
[3] Dated Nov. 10, p. 1773.

213-752 O - 83 Vol XI - Pt. 2 - 47

ify approach four of A–124 by substituting essence first sentence paragraph 4 in Deptel 716 in place last two sentences approach 4?

3. If Indians ask whether Department also interprets Article IX to permit unilateral reduction of existing frequencies by GOI under same conditions as applicable "new schedule" under paragraph 4, should Embassy reply affirmatively? This appears to be intent paragraph 5 Deptel 716.

4. Under sentence 1 of paragraph 4 Embassy telegram 716 how should Embassy explain procedure for "concluding" consultation and thus fixing time when India free impose forthwith unilateral restrictions?

5. Do "unilateral restrictions" permitted under paragraph 4 Deptel 716 include not only control over frequencies, but control over fifth freedom traffic and number traffic stops in India?

6. We assume approach four does not alter effect Article XI 1946 agreement and that, pending "advisory report" by ICAO any unilateral restriction imposed by GOI remains in effect.

7. Answers to questions raised above necessary in order that Embassy's explanation during oral presentation approach four may be as complete and persuasive possible.

KENNEDY

891.2546/12–1354

Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan) to the Under Secretary of State (Hoover) [1]

SECRET [WASHINGTON,] December 13, 1954.

Subject: Beryl Arrangement with India

The US may be faced with the need to decide before December 31, 1954 on the renewal of its arrangement with India for procurement of Indian beryl, an atomic energy material. The OCB decided in favor of renewal on September 29 (Tab A),[2] but the matter appears to have been reopened by the AEC at the November 24 meeting of the Board.[3]

---

[1] This memorandum was drafted by Fluker of SOA.

[2] The Supplement to the OCB Minutes of Meeting, Sept. 29, 1954, has not been found in the Department of State files.

[3] According to a memorandum of Dec. 7, 1954, by Max W. Bishop, Special Assistant to the Under Secretary of State, to Under Secretary Hoover, the OCB at its meeting on Nov. 24 discussed the subject of Indian beryl as follows:

"Noted report by the AEC that misunderstanding exists as to the Board's agreement concerning the purchase of beryl from India. Noted that the current contract will be extended automatically for five years on December 30, 1954, if other arrangements are not made before that date. Agreed that it would be desirable to explore now the possibility of entering into a new contract for one year with an option to renew for another year and recommended that the Department of State ascertain whether such contract terms would be acceptable to the Indian Government." (891.2546/12–754)

In brief the facts are: (1) Beryl is in category I–B under the Battle Act—which means that it is of "primary strategic significance". It is on the National Stockpile List because of its industrial uses. (2) Our beryl purchase Arrangement with India is secret. It provides for supply of Indian beryl at world market prices. The value of shipments has averaged $150,000 annually. (3) The Arrangement provides for automatic renewal for five years from September 30, 1955 if notice of termination is not given by September 30, 1954. The date of decision on termination was shifted to December 31, 1954 in order to give India time to consider our proposal to extend the original period of agreement by one year. (4) If India does not respond to our proposal by December 31, the US must be prepared to finance the five year purchase or give notice of termination.

The difficulty of the decision on the automatic five-year renewal stemmed from the fact that our AEC informed us that there was no present requirement which would support renewal for five years. Even though the AEC is prepared to finance one year of the five-year renewal periods, funds are not readily forthcoming for the full commitment which would be involved in the five year renewal.

The Department has held that the continuance of the Arrangement is important in the US interest for several reasons, including East-West trade problems involving US relations with India and possible US influence on atomic energy development in India. The Department has not presumed to anticipate future beryl requirements, but has noted the difficulty of negotiating a new Arrangement with India if the present one were terminated. (Tab B).[4]

The OCB on September 29 decided that the US would not act to cancel the arrangement "in any event." However the minutes of the November 24 Board meeting (1) note the AEC report that a "misunderstanding exists" as to the Board's earlier decision, and (2) in effect, direct the Department to attempt to negotiate a modified agreement with India.

Since November 24 the instructions for new negotiations were held up at the suggestion of the AEC in view of a reported new development which might dictate a strong United States desire for full use of the renewal provisions of the present arrangement.

Recommendation

That you (1) inform the Board that the Department of State, in light of the AEC views, has not attempted to negotiate a modified Arrangement as recommended by the Board, and (2) obtain from the Board a reaffirmation of its decision of September 29 (Tab A) that "no notice of cancellation would be filed with the GOI in any event."

---

[4] Tab B was Deputy Assistant Secretary Jernegan's memorandum to Acting Secretary of State Smith, Sept. 29, p. 1767.

611.9194/12–1354 : Telegram

The Secretary of State to the Embassy in India [1]

CONFIDENTIAL WASHINGTON, December 13, 1954—7:09 p. m.

PRIORITY

727. Urtel 790.[2] Your numbered paragraphs.

2. Add explanation 716 [3] to A–124 [4] as further clarification. If consultation not concluded before effective date of new schedule it could be operated if agreed or until agreement to contrary reached or, if no agreement at end consultation, until GOI imposes unilateral restrictions.[5] In case consultation on existing schedules they continue until agreement to contrary reached or if no agreement, until GOI imposes restrictions.

3. Yes, see 2 above.

4. Either party free terminate consultation any time. However assume good faith would require reasonable effort both parties reach agreement following full exchange of views.

5. Unilateral restrictions permitted include control over frequencies. However US has never accepted fifth freedom traffic control except through overall frequency control. Since traffic stops are specified in agreement thus necessitating amendment in order to change them, India could not unilaterally effect such change.

6. Yes.

Department hopeful this approach to GOI can be made so as to indicate US proposal is something "new" and made in belief it meets GOI position.

DULLES

[1] This telegram was drafted and signed by Bolster of the Aviation Policy Staff.
[2] Dated Dec. 13, p. 1791.
[3] Dated Dec. 10, p. 1790.
[4] Dated Nov. 10, p. 1773.
[5] On Dec. 15, the Department, in telegram 741, not printed, also informed the Embassy at New Delhi to eliminate the phrase "if agreed to" and substitute the phrase "continue or cease operation" for the word "contrary" in the second sentence of paragraph 2 of Department telegram 727 to New Delhi (611.9194/12–1554).

Presidential Correspondence, lot 66 D 204, "Prime Minister Nehru's Correspondence . . ." [1]

Prime Minister Nehru to President Eisenhower

NEW DELHI, December 13, 1954.

MY DEAR MR. PRESIDENT: I am grateful to you for your letter of November 30, which was given to me by your Ambassador here.

I am happy that our Vice-President, Dr. Radhakrishnan, could meet and have a talk with you during his recent visit to the United States.

[1] The complete folder title reads as follows: "Prime Minister Nehru's Correspondence with Eisenhower/Dulles 1953–1961".

He is not only our Vice-President but, if I may say so, one of our wise men who is greatly respected by all sections of the people here.

I entirely agree with you that what really counts in the relations of States is the common ground on which they can work out mutual problems. I am quite sure that there is much common ground between the United States and India. It is natural that there should be some difference in outlook or approach to some problems because each country has been conditioned differently by its history and experience. But this difference in approach should not be allowed to come in the way of friendship and cooperation. Indeed it should be an inducement to them to understand each other more.

I have followed closely the important announcements you have made on many occasions recently and the stress you have laid on peace. As you have been good enough to say, there is no alternative to peace if we aim at a happy and fruitful world. For our part, we shall endeavour to our utmost capacity to work for this cause.

With all good wishes to you, Mr. President, for Christmas and the coming year, and with my regards,

Sincerely yours, JAWAHARLAL NEHRU

891.2546/12–1454

Memorandum by the Special Assistant to the Under Secretary of State (Bishop) to the Under Secretary of State (Hoover)

SECRET [WASHINGTON,] December 14, 1954.

Subject: Beryl Agreement with India

There is still confusion in regard to the beryl arrangement with India. You should read the underlying memorandum from NEA (Tab A).[1]

There are two alternatives in solving this problem:

1) The Department could telegraph the Embassy in New Delhi to inform the Indian Government that, if they do not accept our proposal for a one-year extension of the present arrangement or some mutually acceptable variation thereof, we will give notice of termination of the present purchase arrangement. The Atomic Energy Commission has agreed to furnish the funds for this additional period. It is doubtful that the Indian Government would accept such a short-term arrangement. In any event, this alternative gives rise to the serious political difficulties which NEA foresees.

2) The OCB could decide that (as it presumably did on September 29) for political reasons, the national policies of the United States require that, if the Indian Government declines to extend the arrangement for one year or fails to reply to our proposal by December 31, the United States should allow the agreement to be automatically renewed for another 5 years by not giving notice of termination. In this

---

[1] Tab A was Deputy Assistant Secretary Jernegan's memorandum to Under Secretary Hoover, Dec. 13, p. 1792.

event, it would be necessary to find and commit funds to cover the 4 years beyond the one year for which the Atomic Energy Commission accepts responsibility.

I suggest that you lay these alternatives before the OCB as an item of emergency business at the meeting on December 15 and that you urge the OCB to give its approval to the second alternative. If this is agreed, the OCB should request the Atomic Energy Commission and FOA to determine prior to December 25 the source of funds necessary to cover the full 5-year period. If they are unable to agree, the OCB should request AEC and FOA to take the matter to the President for final determination. This was agreed to by AEC and FOA on September 29, according to Mr. Staats' minutes. AEC did not understand this undertaking. Upon determination of the source of the funds to cover the full 5-year period, the Department of State can then telegraph instructions to the Embassy in New Delhi to allow renewal of the purchase agreement for 5 years. The United States position must be determined and the Embassy informed prior to December 31.

891.2546/12–1054

Memorandum by the Special Assistant to the Under Secretary of State (Bishop) to the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan)

SECRET [WASHINGTON,] December 16, 1954.

As of interest to you, there follows an excerpt from my informal notes on the OCB meeting of December 15:

"*Beryl Agreement with India—Special Item*

"Mr. Waugh laid before the OCB the two alternatives in regard to action to be taken concerning the beryllium purchase agreement with India. He pointed out that the United States could inform the Indian Government that, if they do not accept our proposal for a one-year extension of the present arrangement or some mutually acceptable variation thereof, we will give notice of termination of the present purchase agreement. On the other hand, if the OCB were to decide that there were overriding political considerations and that, in any event, we must be prepared to renew the contract for 5 years, it would be necessary to find the necessary funds. Mr. Waugh went on to say that the Department of State felt that, unless we could remove beryllium from the Embargo Act List, there were serious political repercussions which would make it necessary for us to renew the contract.

"Admiral Foster of the AEC said that, while the AEC did not have any use for this material, because it is on the Embargo Act List with some 15 other nations and because it is used commercially in aircraft

construction and is used experimentally in reactors, the AEC would recommend keeping beryllium on the List.

"Mr. Floyd of ODM indicated that ODM would be willing to purchase beryllium for one year beyond that of the existing arrangements but would not be interested in purchasing any more than 500 long tons.

"After *considerable* discussion, it was agreed:

1) that the AEC would officially inform Mr. Stassen, Director of FOA, that the AEC no longer felt it necessary for beryllium to be on the Embargo List;

2) that FOA would give immediate attention and consideration to the question of removing beryllium from the Embargo List; and,

3) that the Department of State would prepare a telegram to the Embassy in New Delhi instructing the Embassy to inform the Indian Government that, if they are unable to agree to an extension of the present arrangement for one year, we will be forced to give notice of termination of the purchase arrangement.[1]

"It was also pointed out at the meeting that, with beryllium being on the 1B list, it is possible to except it from mandatory application of the Battle Act provisions and, in light of the fact that no one seems to want this particular commodity, the President should have no difficulty in so excepting beryllium if we did cancel our purchase arrangement and if India did sell it to the USSR."

I suggest that, if this arrangement is acceptable to you, you will want to have someone follow through to see that AEC does send the necessary letter to FOA and that FOA does attempt to get beryllium removed from the Battle Act List.[2]

MAX W. BISHOP

[1] The Department sent instructions to the Embassy at New Delhi to this effect on Dec. 21, 1954 in telegram 768 (891.2546/12–2154). The Embassy, in turn, reported on Dec. 27 in telegram 872 that the Indian Ministry of External Affairs on that date informed the Embassy that the Government of India was agreeing to a 1-year extension of the beryl agreement providing for deliveries to extend through Sept. 30, 1956 (891.2546/12–2754). On Dec. 31, the Embassy at New Delhi reported that the formal note from the MEA, dated Dec. 30, had been delivered to the Embassy (891.2546/12–3154).

[2] The following handwritten note appeared in the margin next to this final paragraph: "This should be done through S/AE. J[ohn] D. J[ernegan]".

411.9141/12–1654

Memorandum by the Deputy Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Jernegan) to the Assistant Secretary of State for Economic Affairs (Waugh)[1]

SECRET [WASHINGTON,] December 16, 1954.

Subject: Program for India under Public Law 480

In our memorandum to Mr. Kalijarvi of November 29, we referred to India's request for US consideration of the supply by the United

[1] This memorandum was drafted by Delaney of SOA.

States to India of surplus agricultural commodities, involving 4.5 to 5 million tons of wheat over a three-year period. Representatives of interested US agencies agreed, and the GOI was informed, that we would reply to its request and repeated enquiries when legislation was available. We have had Public Law 480 for some time now, but no constructive reply has been made despite earlier interagency agreement.

NEA proposed a substantial program in response to the Indian Government's request and stated that, if necessary to assure a Public Law 480 arrangement of the magnitude proposed, NEA believed that the ceiling of $400 million under which the programs were being operated should be revised upwards.

India remains, for reasons stated in the earlier memorandum, the ideal country in which to satisfy the requirements of Public Law 480, particularly with respect to the development and expansion of demand for agricultural commodities and the achievement of our foreign policy objectives through encouragement of economic development.

The Francis Committee,[2] at its December 7 meeting, adopted an over-all program for FY 1956 totalling $453 million and including a figure of $40 million for India. The palpable inconsistency of this $40 million figure in view of the almost unique opportunity in India to implement Public Law 480 is clear when it is noted that this $40 million is actually about $24.4 million in market value, and that perhaps less than 50 per cent of the rupees derived from the $24.4 million program will be available as loans for economic development. The remainder of the rupee proceeds are, I understand, contemplated for US Government expenditures.

In terms of the possibly unique opportunities offered by India's circumstances, the low program figure and the treatment of the rupee sales proceeds constitute an absurdly inadequate position.

In addition to the above considerations, there are significant political considerations involved in a more adequate response to the Indian Government's proposals. Prime Minister Nehru has recently voiced pub-

---

[2] The reference is to "The Interagency Committee on Agricultural Surplus Disposal". Under the terms of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454), known as Public Law 480, President Eisenhower was empowered to establish an administrative mechanism to supervise the implementation of this legislation. Therefore, he officially established, in Executive Order 10560, "The Interagency Committee on Agricultural Surplus Disposal" on Sept. 9, 1954, with Clarence Francis, Special Consultant to the President on Surplus Agricultural Products, as its chairman. In addition, the following agencies had representation on the committee: the Department of Agriculture; the Foreign Operations Administration; the Departments of State, Defense, Commerce, and Treasury; the Bureau of the Budget; the Office of Defense Mobilization; the General Services Administration; and the Board of Governors of the Federal Reserve System. For further information regarding the creation of this special committee, see the Department of State *Bulletin*, Oct. 4, 1954, pp. 498–502. Documentation regarding the operations of the Francis Committee is in Department of State files 411.0081, 811.20, and 811.312.

licly his appreciation of President Eisenhower's peaceful intent in world affairs, thus laying a foundation for improved U.S. relations with India. An adequate Public Law 480 program could be of assistance in furthering this objective.

In view of the fact that the Francis Committee has itself already broken the $400 million ceiling, NEA believes that there are compelling considerations for an adequate and more substantial India program. I know and appreciate the efforts you and your staff have already made in this regard, but, if at all possible, I would appreciate another attempt by you to increase the program to approximately $87 million at market cost.

This would enable India to carry out a purchase program of 1,000,000 tons, which is justified in detail by the Embassy in a despatch drafted by the Agricultural Attaché—No. 596 of December 6, 1954.[3] Note that a part of the 1,000,000 tons could be for delivery after June 1955 according to the Embassy's justification.

[3] Not printed. (891.2311/12–654)

611.9194/12–2054 : Telegram

The Chargé in India (Kennedy) to the Department of State

CONFIDENTIAL NEW DELHI, December 20, 1954—7 p. m.

836. Fourth proposal for continuation US airlines service (A–124)[1] as modified by Deptels 716 [2] and 727 [3] presented this afternoon to Communications Minister Ram. An unsigned memo outlining proposal together with letter making substantive points justifying consideration left with Minister. Copy memo also transmitted Foreign Secretary. Ram's initial reaction was that it difficult not to terminate agreement since notice had already been given and there would be great embarrassment if this rescinded. He would not however, close door and said he would have to check with his advisers. I urged that prior any rejection in writing I be given opportunity discuss matter with him further. He said this would be done. I pointed out that it might be worthwhile for him to consider benefit to GOI of not terminating agreement since one of articles provided in principle for Indian airlines to fly to US. In making this point I indicated this had probably been thought of before but might be worthy of another look. Ram, however, did not modify his original reaction that termination would have to go through.

KENNEDY

[1] Dated Nov. 10, p. 1773.
[2] Dated Dec. 10, p. 1790.
[3] Dated Dec. 13, p. 1794.

611.9194/12–2254 : Telegram

The Chargé in India (Kennedy) to the Department of State

CONFIDENTIAL NIACT NEW DELHI, December 22, 1954—6 p. m.

851. Economic counselor and I attended one and one-half hour conversation with Jha, Secretary Ministry Communications, Jain and Deputy Secretary Venkatachalam regarding our latest proposal for continuation US airlines service (Embassy telegram 836).[1] Conversation was basically friendly and provided for frank exchange of views and clarification proposal. Important questions which Jha raised were:

(1) Was fifth freedom traffic included in our proposal, on which answer was no; (I also made clear that proposal did not give India unilateral right to change landing points as they specified in agreement).

(2) Did not proposal mean that in fact new services could go into effect if consultation not concluded within 30 days, to which answer was proposal technically made that possible, but in fact it would not be reasonable to expect airlines in question would put a service in if this new service were to be shortly discontinued;

(3) Would proposed interpretation of Article IX, permitting unilateral restriction of frequencies, eliminate reference through Article XI to ICAO, to which answer was no, that we still would wish to continue application of Article XI.

Jha made quite clear during course of conversation that previous consultations had been very irritating. He repeatedly referred to fact that even though agreement was reached along lines suggested, he did not see how anything but same irritation could result from sort of consultations now proposed because he said that what was really necessary was certain rules of the game in order that when two sides sat down together in consultation a mutually satisfactory agreement might be reached in a friendly manner. He was also irritated over fact that we now said it was possible to interpret Article IX to include frequencies when our position in past so far as he understood it, had been reverse. He referred to fact that, if this had been case before, India would have reduced frequencies three years ago.

In course of discussion I tried to emphasize desirability of not having clearcut break but rather of maintaining present agreement and arriving at subsidiary working understanding. Jha made point that this would put India in worse position because due to lack of time prior January 16 immediately after reaching of a new agreement as proposed, or some modification thereof, India would wish to exercise its unilateral right and on short notice. He felt it would be better if India went through with cancellation and was clearly in position to

[1] *Supra.*

take long notified unilateral action. I tried to point out that in my opinion their position would be preferable under new proposal because we would have agreed with them that right unilateral action existed under the agreement. Throughout discussion we stressed fact that in our view this was a substantial concession and constituted in effect a new approach which met India's basic requirements with exception of fifth freedom. Jha said that even though proposal from our point of view represented a major concession, he was of the opinion that gulf between us was still too wide to jump. From this I judge that as it now stands, Jha will recommend rejection although final decision will be taken at Cabinet level. In closing he reverted to points which were raised earlier for clarification in such a way that it would appear that problems of fifth freedom traffic, referral to ICAO and absence of agreed rules of game or principles to guide consultations were real stumbling blocks. It is difficult to judge whether all these points must be met, but it would seem that some further satisfaction would be necessary. He also said that he was disappointed we had not come forward with something substantial in way of an immediate concession. Although he did not make it even as a personal proposal, and certainly not as a Government of India proposal, I gained impression from him that concession which would be very acceptable to them would be an offer on our part at this time without further consultation to see to it that the flights of Pan American and TWA were cut from 3 to 2 a week each. I am sure Government of India would be prepared to undertake immediate consultation with view to permitting their re-establishment, but my own opinion is that Government of India is determined to cut the flights of both airlines to two a week come mid-January, irrespective of whether any agreement reached or not reached prior January 16.

If this correct, issue is then really not one of protecting present flights of our airlines but of whether or not we are prepared to make further concessions to maintain facade of existing air agreement. It is impossible for me to judge how important that is, but I am of the opinion it will take something of this sort plus some other concessions on working arrangements in order to prevent termination come January 14.

Even if we go this far, I still am not sure we would succeed. Unless however, I am able give some indication to Jha of some further concessions along above lines, I am confident he will recommend and Cabinet will approve rejection of proposal.

If I am to do anything more within the time limits that exist, I should have word by noon, Indian time, Friday.

KENNEDY

411.9131/12–1554 : Telegram

The Secretary of State to the Embassy in India

CONFIDENTIAL WASHINGTON, December 22, 1954—4 : 52 p. m.

776. Taylor from Agriculture. Embtel 804.[1] Customary provision in negotiating instructions for PL 480 programs reserves final decision on usual marketing requirements for Washington based on developments in course of negotiation as well as commodity and other considerations here. Instructions for negotiation which are now in preparation expected to contain similar provision for India. Believe unwise to give GOI any indication prior to opening negotiations that U.S. may be willing to reduce substantially usual marketing requirements. Appreciate your complete reports on position of GOI on this and other points.

DULLES

[1] Not printed. (411.9131/12–1554)

611.9194/12–2354

Memorandum of Conversation, by the Chief of the Aviation Policy Staff (Bolster)[1]

CONFIDENTIAL [WASHINGTON,] December 23, 1954.

Subject: Developments concerning the U.S.–India Air Transport Agreement.

Participants: Ambassador George Allen
E—Mr. Samuel C. Waugh
SOA—Mr. Lamar White
TRC—Mr. J. P. Barringer
AV—Mr. E. A. Bolster
CAB—Mr. Harmar Denny, Acting Chairman
CAB—Mr. Walter Peck
PAA—Mr. Russell B. Adams
TWA—Mr. Thomas T. Taylor
TWA—Mr. J. Constantz

This conference was arranged by Mr. Waugh, after a discussion of developments on the Indian situation with Under Secretary Hoover, as a means of informing the carriers of the current developments and, if possible, to obtain their approval of the proposed course of action. Mr. Waugh opened the meeting with a brief statement concerning developments to date. Mr. Bolster reviewed for the carrier representatives benefit the details of "Approach 4" as contained in the Department's instruction, A–124 dated November 10, 1954 and telegram 716, December 10.

[1] This memorandum was drafted on Jan. 5, 1955.

Mr. Waugh then reviewed the Embassy's report on its efforts to persuade the Indian Government to adopt Approach 4 (New Delhi telegram 851, December 22). Upon conclusion of his statement, Mr. Waugh requested that Mr. Denny express the views of the Board. Mr. Denny read from the minutes of the Board meeting, which took place earlier in the day, which in substance stated that in view of the current delicate situation and the opinion of the Department of State that there was little or no chance of obtaining Indian acceptance of Approach 4 and continuance of the agreement unless the U.S. offered to make an immediate reduction in service in a capacity consultation. The Board agreed that the Embassy should suggest that the U.S. would be willing to engage in an immediate capacity consultation after the first of the year, in which consultation the U.S. would be willing to agree to a reduction of its service to two flights a week for each carrier.

Ambassador Allen expressed doubt that it would be possible to persuade the Indians to withdraw their notice of termination of the agreement, but was of the opinion that if any proposal would have an effect upon the Indian position, the suggestion previously mentioned by Mr. Waugh and Mr. Denny would have the best chance of success. He summarized his discussions with the Indian authorities prior to his departure from India early in December and gave an analysis of Indian attitude which indicated little Indian concern over the prospect of termination of the air transport agreement.

At Mr. Waugh's request Mr. Taylor stated that in his opinion TWA would be willing to make the requested adjustment in service after consultation subject to a corresponding reduction on the part of Pan American.

Mr. Adams and Mr. Taylor both agreed their companies much preferred to retain the air transport agreement in force.

Mr. Taylor strongly objected to any understanding with the Indians involving acceptance of restrictions on Fifth Freedom traffic.

Mr. Adams questioned the necessity for reducing Pan American service at all in view of the offer made in the 1953 consultation to reduce TWA service to two flights a week without any reduction in Pan American flights. He felt that insufficient consideration had been given to the possibility of having Pan American make adjustments in its flight schedules to reduce the amount of service to Delhi and Calcutta by serving the points on alternate flights or some other means. Mr. Bolster pointed out that even though Approach 4 may be acceptable to the Indians they may also insist on U.S. carrier service to no more than one point in India, or to no more than one point on a single flight. Furthermore, a modification could be made in routes without compromising U.S. aviation principles. Mr. Adams objected on the ground that such a modification would require a substantial financial sacrifice on the part of Pan American. He declined to express any position for

Pan American on the course of action proposed. Ambassador Allen asked whether Mr. Adams would be willing to agree with a statement that in view of the precarious condition of U.S.–India air transport relations and the necessity for working out some arrangement if U.S. carrier services are to be continued the Government must take drastic action. Mr. Adams agreed.

611.9194/12–2254 : Telegram

The Secretary of State to the Embassy in India [1]

CONFIDENTIAL WASHINGTON, December 23, 1954—7 : 46 p. m.

NIACT

791. Urtel 851.[2] Department and CAB authorize Embassy to inform GOI that, subject to GOI acceptance Approach 4 as elaborated, USG willing engage New Delhi after January 1 brief capacity consultation on services now existing. USG agrees such consultation would end prior January 14 and if mutual agreement regarding justified levels US carrier services not reached, GOI would have unilateral right impose restrictions. In such consultation US will find itself in position to meet Indian point of view by reduction US services to two weekly flights for each carrier. Aviation technician would be sent India assist Embassy in consultation.

Regarding Article 11 (Arbitration). US prepared substitute wording used in more recently concluded agreements which provides disputes submitted for advisory report tribunal of three arbitrators one chosen by each party and the third by the two arbitrators so chosen. Full text being telegraphed.[3]

FYI. USG hopeful present over-all approach acceptable without GOI requirement written exchange. However, if you believe GOI will insist on written exchange, cable texts memo and letter Embtel 846 [4] immediately and Department will provide draft text. End FYI.

In clarification previous references Approach 4, GOI right to take unilateral action after capacity consultation would apply not only to consultation on increases but also on existing service.

---

[1] This telegram was drafted by Ernst, Colclaser, and Bolster of the Aviation Policy Staff. Bolster signed it.

[2] Dated Dec. 22, p. 1800.

[3] The text of the arbitration article used by the United States in recently negotiated air agreements was transmitted to New Delhi in Department telegram 790, Dec. 23 (611.9194/12–2354).

[4] Not printed; Chargé Kennedy informed the Department on Dec. 21 in this telegram that he had seen Pillai that day to discuss the status of the civil air agreement negotiations and the last U.S. proposal. Pillai asked for and was given a copy of the proposal previously given to Ram on Dec. 20 (611.9194/12–2154).

FYI—This proposal considered highest levels Department and CAB. There is little chance that further concessions can be made to permit continuance US service after January 14. PAA and TWA informed. End FYI.

DULLES

611.9194/12–2454 : Telegram

The Chargé in India (Kennedy) to the Department of State

CONFIDENTIAL NIACT NEW DELHI, December 24, 1954—7 p. m.

863. I saw Jha this afternoon with Jain and Venkatachalam present. Economic Counselor accompanied me (Deptel 791).[1] In half-hour discussion, points included in reference telegram were presented and discussed fully.

1. It my general impression that statement with respect to our putting ourselves in position to meet Indian point of view by reduction of services to two flights each carrier, constituted substantial offer and was favorably received by Jha.

2. Jha first referred to Fifth Freedom problem and indicated this still important stumbling block since Indian position on it had been taken at Cabinet level. If other things are worked out, however, I am not of the view at this moment that it will prove a barrier, although it should be kept in mind that this will be factor in later consultations with respect to possible further reductions of frequencies or positions they will take on new services.

3. Jha raised question with respect to traffic stops and was informed it would require an amendment to the agreement to reduce PAA to one traffic stop in India. I indicated this would be something that could be considered at later time and should not interfere with reaching agreement on immediate problem. This, of course, is much less serious problem than one relating to Fifth Freedom.

4. One of serious questions bothering Jha is very broad language contained in Article 4. He continually refers to fact that even though disputes might be referred to arbitral tribunal or to ICAO, it would be very difficult for people who had to sit in judgment to reach reasonable conclusion from Indian point of view. He also makes reference to this in connection with consultations. It is obvious that Indians will wish some interpretive language on Article 4 in order provide clearer guide lines for future consultations. I urged that this not be thrown into existing problem but am not sure but what GOI will insist on something about this in an exchange of notes.

5. Jha continually referred to there being regular consultations,

[1] *Supra.*

such as once yearly, and we urged that the present agreement made that possible since all that was necessary would be for GOI to request consultation at a regular period of time. I finally said I thought an interpretative point might be made by way of recognizing that there should be regular consultations once a year as long as it was also recognized that there could be interim consultations at the desire of either government.

6. With respect to the substitute for Article XI providing for advisory tribunal, Jha thought this was less undesirable than existing provision for reference to ICAO. He asked whether this applied to frequencies or would be in place of Article XI, and I replied that it my impression it would replace Article XI with respect to all disputes between the parties. Please confirm.

7. Jha indicated it going be very difficult to get Cabinet decision on all these points within time limit of termination notice, and wondered whether it would be possible to agree on a suspension of the execution of the termination notice for thirty days. I asked him if he making that proposal officially, to which he replied he could not do so as yet but that perhaps if he could [get] the agreement of his Minister, this would be a possibility. I said I would raise this question with the Department and thought this might be beneficial step in order to make things more certain. In connection with his concern about getting decision by January 14 on whether or not our proposal was acceptable, he mentioned Nehru's absence from India and various plans of his own. I made it clear that our agreement to a suspension of termination notice would be based upon maintenance of the *status quo* for that period so that the two airlines would continue to fly three flights weekly. My impression is that he will still make every effort to work out solution by January 14, but on the other hand, I believe the fact that he raised this possibility is encouraging indication that he is now prepared to think in more favorable terms of a continuation of the agreement under proposal we have put forth. (Advise if thirty-day suspension termination notice acceptable.)

8. Jha indicated it would be necessary to have exchange of notes to cover all understandings we would reach as a part of withdrawal of termination notice. I would appreciate early telegraphing of text. I promised give Jha unsigned paper setting forth additional points contained Deptel 791 in order that he might have them with previous text which had been given him (Embtel 836).[2] Immediately following telegram will give texts.

KENNEDY

---

[2] Dated Dec. 20, p. 1799.

611.9194/12–2554 : Telegram

The Chargé in India (Kennedy) to the Department of State

CONFIDENTIAL PRIORITY NEW DELHI, December 25, 1954—2 p. m.

864. Following is text of letter and memorandum referred to Embtel 836 [1] and requested Deptel 791: [2]

Verbatim texts.

"My dear Mr. Ram,

"December 20, 1954

"In a letter to the Foreign Secretary dated November 30, 1954, Ambassador Allen made a proposal for an interim arrangement which would permit continued United States airlines operations in India. This proposal was rejected by the Government of India in a letter to the Ambassador dated December 5, 1954. I am now asked by my Government to discuss with the appropriate authorities of the Government of India another proposal relating [to] this matter and for this purpose I attach a memorandum outlining it. This suggestion has been communicated to the Foreign Secretary by letter of the same date.

"The United States Government has considered urgently the rejection of its proposal of November 30 and, in the profound belief that it is to the mutual benefit of both governments that severance of Indo-US commercial aviation be avoided, makes the attached proposal as the result of a searching reappraisal of the problem.

"I sincerely hope that there may be a favorable reply to this suggestion. If there are any questions relating to it, I would appreciate an early opportunity for discussion. Signed Kennedy".

"United States airlines operations.

"It is proposed that the procedure for the filing of schedules under Article VII (*b*) of the existing 1946 Air Services Agreement be revised so that if the aeronautical authorities of one party object to an increase of existing service by an airline of another party, those authorities may *immediately* bring about an intergovernmental consultation of the type referred to in Articles IX and X of the agreement in order to examine the proposed increase in service in the light of the provisions of the agreement. The new service would go into effect thirty days after filing unless, by intergovernmental agreement arising prior to that date, it was determined that the proposed new service was not warranted. However, if the consultation is not concluded before the effective date of the new schedule, it could be operated until agreement to continue or cease operations is reached, or, if there is no agreement at the end of the consultation, until the Government of India imposes unilateral restrictions under Article IX. In the case of consultation on existing schedules, they may continue until agreement to the contrary is reached, or, if there is no agreement, until the Government of India imposes restrictions.

"Under this procedure the United States would be prepared to begin consultations regarding the proposed new service before its inauguration, and, in the consultations, to utilize the traffic experience derived

[1] Dated Dec. 20, p. 1799.
[2] Dated Dec. 23, p. 1804.

213-752 O - 83 Vol XI - Pt. 2 - 48

from operations at the level of service existing at the time of notice of the proposed increase was given to the Government of India rather than that from operations at the proposed new level.

"The above proposal is made on the basis that, if satisfactory, the Government of India will withdraw its present termination notice made under Article X (*e*)."

Following are letter and memorandum I sent Jha, Secretary, Ministry of Communications, yesterday on basis of Deptel 791:

Verbatim texts.

"In accordance with our conversation of this afternoon I am attaching a paper setting forth proposals which my Government has suggested be considered in elaboration of those conveyed to the Minister of Communications with my letter of December 20, 1954.

"It is hoped that these additional proposals may permit our two governments to reach a satisfactory agreement on this question, a solution of which appears to be so desirable for both of us.

"A copy of the attached paper is being sent to the Secretary General, Sir Raghaven Pillai."

"United States airlines operations.

"(Addendum)

"It is further stated that the United States Government would be willing to have a brief capacity consultation in New Delhi following January 1, with regard to the services now existing, with the understanding that such consultation would end prior to January 14. It is understood that if mutual agreement regarding justified levels of United States carrier service is not reached during this consultation, the Indian Government would have the unilateral right to impose restrictions. In this consultation the United States would find itself in a position to meet the point of view of the Government of India by a reduction in United States services to two weekly flights for each carrier. With regard to arbitration (Article XI), the United States Government would be prepared to agree to a provision for submitting disputes to a tribunal of three arbitrators, one chosen by each side and the third chosen by the two already selected, for an advisory report.

"The above suggestions are subject to the Government of India's acceptance of the proposal already made and as modified above, and consequently to a withdrawal of the termination notice."

KENNEDY

611.9194/12–2454 : Telegram

The Secretary of State to the Embassy in India[1]

CONFIDENTIAL WASHINGTON, December 26, 1954—11:04 p. m.

NIACT

799. Your 863[2] and 864.[3] Text of proposed confidential *aide-mémoire* to be given in draft form to GOI appears below. Embassy

[1] This telegram was drafted by Ernst, Colclaser, and Bolster of the Aviation Policy Staff. Bolster signed it.

[2] Dated Dec. 24, p. 1805.

[3] *Supra.*

should state that U.S. willing to exchange subject to GOI withdrawal termination notice. Such exchange should take place immediately after conclusion January capacity consultation. FYI. Desire avoid any reference to January consultation in *aide-mémoire*. End FYI. *Aide-mémoire* should not be filed with ICAO or made available to others. As precedent Embassy may cite GOI procedural agreement with British which was not filed with ICAO. FYI. To minimize possible effect U.S. worldwide policy publicity this exchange should be avoided. End FYI.

"In view of the circumstances existing and understandings reached at the time the air transport agreement was negotiated between India and the United States and in view of the experience gained in eight years of airline operation, it is recognized that the adoption of the procedures set forth below will assist in clarifying certain provisions of the agreement.

Article VII(*b*) of Air Transport Agreement provides for schedule changes to be filed by the airlines of one country with the aeronautics authorities of the other country as long as practicable in advance of the date on which they are to become effective. Thirty days is recognized as being such a length of time.

If either government objects to a proposed increase in service by an airline of the other country, it may request an intergovernmental consultation of the type referred to in Articles IX and X of the agreement in order to examine the proposed increase in service in the light of the provisions of the agreement. Such request shall be made within fifteen days after the date of filing of the schedule increase, and consultation shall commence promptly.

The two governments shall decide in consultation on the appropriate disposition of the proposed increase in service. If the consultation is not concluded before the proposed effective date, the increase may go into effect as proposed. If agreement is not reached in consultation the government objecting to the increase may take action under Article IX.

In the case of objection to existing schedules, consultation may be requested at any time and shall take place within sixty days after receipt of the request."

If GOI insists on language concerning regular consultation Embassy may suggest following for inclusion in *aide-mémoire*. "Regular consultation in accordance Article X(*a*) may take place annually if government desiring consultation makes request sixty days in advance of desired consultation date."

In view Indian desire to avoid reference to ICAO re arbitration substitute language Article XI (Deptel 790)[4] may be proposed as separate exchange of notes to comprise formal modification air transport agreement. This document would require formal filing with ICAO in which reference could be made to withdrawal notice of termination.

DULLES

[4] Not printed; see footnote 3, p. 1804.

611.9194/12-2854 : Telegram

The Chargé in India (Kennedy) to the Department of State

CONFIDENTIAL NIACT NEW DELHI, December 28, 1954—7 p. m.

882. Re: Civil Air Agreement. Jha and Jain out of town but will be back 29th. We hope get some indication GOI position latest suggestions by close of business 30th. Assume technician to participate January negotiations, referred to Deptel 791,[1] standing by for immediate departure.

I am very concerned over general tone and certain omissions proposed note (Deptel 799).[2] Believe if offered as presently drafted, there will be unfortunate reaction with loss of what I have felt has been increasing degree of confidence in our desire to work out a solution permitting continuation of 1946 civil air agreement. Consequently, suggest consideration following:

1. A–124 [3] and Deptel 716 [4] use word "immediately" re consultation on establishment new service, and this has been conveyed to Jha as sense of our approach this problem. Tone of note gives impression of relaxation on beginning consultation by use of word "promptly". At minimum, I believe "immediately" should be substituted so that there would be firm basis for GOI believing consultation will have proceeded for some period of time, such as a week, before new service goes into effect (Deptel 716 speaks of negotiator getting on first, or possibly second, plane after receipt of notice).

2. Note omits reference to use of traffic experience derived on basis of operations as existing at time of notice, rather than after new service had been in effect for some time (Deptel 716).

3. One of the very difficult points with Jha has been his view that language of Article IX did not permit unilateral selection with regard to frequencies. I believe he may accept agreement by both sides that by interpretation Article IX may be used to cover unilateral action in this respect, but he will wish, I am sure, to have it in writing. Hence, reference to action under Article IX, without stating that such action includes unilateral restriction of frequencies, will not be acceptable. I assume department wishes keep out of note reference to unilateral restriction because of danger of note becoming public, but this will not meet Indian attitude which now has in it a background of suspicion and is based on desire to have full basis of agreement specified. In this connection, I have already mentioned that Jha has raised question of interpretation of Article IV to provide for clearer and more definite agreed principles or, as he put it, "rules of the game". In absence of something specific in this regard, Jha, I am sure, will consider that India will be in losing position because, in case of a dispute which would be referred to ICAO or arbitration board, those who sat in judgement would look to Articles IX and IV as they stand. I believe

[1] Dated Dec. 23, p. 1804.
[2] *Supra.*
[3] Dated Nov. 10, p. 1773.
[4] Dated Dec. 10, p. 1790.

at a minimum that the right on India's part to exercise unilateral restrictions over frequencies will have to be spelled out in the note.

4. Provisions for consultation on existing frequencies is inadequate since it omits any reference to action to impose unilateral restrictions on frequencies in absence of agreement between parties. Deptel 727 [5] specifically stated that in case of consultation on existing schedules, they continue until agreement to contrary is reached or, if no agreement, until GOI imposes restrictions. As Dept will note from Embtel 864,[6] this language has been conveyed to GOI.

Would appreciate further instruction re above. In meantime have not presented draft text.

KENNEDY

[5] Dated Dec. 13, p. 1794.
[6] Dated Dec. 25, p. 1807.

611.9194/12–2854 : Telegram

The Secretary of State to the Embassy in India [1]

CONFIDENTIAL WASHINGTON, December 28, 1954—7 : 40 p. m.

NIACT

818. Assumption re technician Embtel 882 [2] correct. Following numbers refer to numbered paragraphs 882.

1. Substitute "without delay" for "promptly" at end of third paragraph *aide-mémoire*.

2. Replace period at end of third paragraph *aide-mémoire* by comma and add "utilizing in such consultations the traffic experience derived from operations at the level of service existing at the time the notice of proposed increase was given."

3. Believe Article 9 sufficiently clear to indicate possibility unilateral action in case agreement not reached in consultation. Propose Embassy give draft *aide-mémoire* to Indians without further elaboration re permissive unilateral action. Extremely important to U.S. not to refer in this document (which although confidential may be made available to other governments, either directly or indirectly) to unilateral action. Therefore only as last resort, upon extreme insistence of Indians, to save U.S. position, Embassy may delete "take action under Article 9" at end forth paragraph and replace with "impose appropriate conditions in accordance with Article 9."

4. Add to end final paragraph "The existing schedules may continue during such consultation until the two governments reach agreement concerning their disposition or, in the event that the consultation is terminated without agreement, until action is taken under Article 9

[1] This telegram was drafted by Colclaser of the Aviation Policy Staff and was signed by Bolster of the Aviation Policy Staff.
[2] *Supra*.

by the government objecting to them." Under same conditions as 3 above, if this language is unacceptable to the Indians replace the words "action is taken under" with "conditions are imposed in accordance with."

DULLES

611.9194/12–3054 : Telegram

The Chargé in India (Kennedy) to the Department of State

CONFIDENTIAL NIACT NEW DELHI, December 30, 1954—8 p. m.

898. Jha phoned this afternoon to report status of his consideration all our suggestions civil air agreement. He had shown our latest advices to his minister and said that he had some points to make. In hour long conversation it developed that his legal advisers had ruled against possibility thirty-day extension of effective date of termination pending further discussions. Furthermore, Prime Minister and Minister Communications leaving January 8 for all-India congress committee meeting in Madras. This means if there is to be anything accomplished in way of maintaining present agreement, it must move very fast.

Following were counterpoints made by Jha:

1. Jha referred to our point that we would be prepared in consultation early January to meet Indian point of view by a reduction to two flights each per week for Pan American and TWA. He said he felt it would be impossible to go along with the consultation if it meant that following consultation India would have to take unilateral action to effect reduction. Rather he would want it understood that reduction would take place without such unilateral action. Possibly one way of accomplishing this would be for US and India to jointly agree that flights should be at two each per week and that we inform airlines of that fact and accomplish reduction by mutual agreement. Jha made quite a point of fact that during last consultation Indian position had been that only one flight each per week was justified while our position had been three flights each per week were justified. Therefore, if they now went along on two flights each it obviously was a compromise and if on this basis he had to put forward the proposition that India were to take unilateral action, his opponents would point out that if that was to be procedure, then Indian action should be to list [*limit?*] flights to one per week each carrier. Jha pointed out that this would be substantiated by Indian expert calculations.

2. Second point Jha wishes to be met on is that having agreed on two flights for each carrier in January this should not be increased for balance of 1955. In other words, he asks for a freezing of two flights for first year. His point on this is that if we are to start off on new basis of working together, it would be very unfortunate to immediately throw into consultation a return to three flights over which there would be bound to be disagreement and therefore if this were anticipated in his opinion it would be better to terminate agreement and

take necessary action on their own. In further discussion this point it was indicated Indians would be agreeable to a base level of two flights per week for reasonable future. In other words during 1955 and presumably 1956 and later unusual circumstances not arising they would be agreeable to a continuation of that for a base figure for US airlines.

3. With respect to consultations Jha said India desired regular annual consultations in order that pattern for traffic for subsequent year would be understood and not disturbed. This flows from point 2 above and is part of their general position. I pointed out again that there certainly was no hindrance to regular consultations and referred to language already included in instructions to Embassy on this point. Jha however is still very troubled about frequent or irregular requests for increases in flight frequencies but agreed that he probably could accept language which would say in effect that frequencies would remain as discussed at a regular consultative period, but that under special circumstances special consultations could be requested for purpose of increasing frequencies. Jha used the word "emergency" in this connection but I think he would agree to phrasing such as "special circumstances". In this connection Jha wishes to have period of notice for special consultation between regular ones raised from thirty days to sixty days and the period of notice for regular or annual consultations increased from sixty to ninety days.

4. Jha then moved to sticky point of possibility that an increase in frequencies might go into effect during period of consultation. I repeated what had been said previously that if consultations were moving badly or there seemed to be doubt that agreement would be reached for the increase, airlines would be informed and it would be reasonable to expect they then would not put frequency into effect. Jha was evidently not moved by this argument and pointed out that it would be very bad psychologically while two parties were still talking to have action taken. It could have unfortunate effect on putting peoples backs up and as he said "queer the pitch" before consultations were terminated. I believe this point should be looked at in light of trying to develop friendly and understanding working together on civil air matters and I can see that an action of this sort which might be taken could well cause considerable irritation.

5. Jha then brought up a question of what criteria were to be used in connection with justifying an increase in flight frequencies after 1955. He obviously is not interested in going ahead on a basis which would reproduce sort of discussions on this question which have been had in past. He asked me if I had any suggestions; I said I had not. He then said he had one he would like to put forward to effect that for all future increases in flight frequencies, the criterion to be used was increase in volume of third and fourth freedom traffic. In this connection I asked about Indian position with regard to reduction at later time below the level of two frequencies for each airlines, which was to be agreed upon for 1955. Jha said if we could reach agreement on the criterion he put forward and other points, India would agree not to request any reduction below the two flights so that effect of working agreement of the sort being discussed would be to provide a floor of two flights per week for each carrier.

6. Jha's position on disputes now is that there should be no refer-

ence either to ICAO or to an arbitration board of differences of views about frequencies. His view is that such disputes would not occur. I assume that if there were any, he wishes to rest upon our recognition of India's unilateral rights. I asked him what the position was on this with the British and he said that this was what they had come to in the UK understanding. He would maintain Article XI for all other disputes.

7. The final point Jha raised was with respect to Pan American's two stops New Delhi and Calcutta. He said they wished to have one of these eliminated and when I mentioned that this was specified in agreement and therefore difficult to achieve by interpretation, but would call for an amendment he replied he didn't think this really was required. Rather all that was necessary was an understanding that practically speaking, Pan American would only stop at one point.

Jha made it clear that he was presenting this as personal and not as the official views of the GOI. He said that it would take this in his opinion to get cabinet to reverse its position on termination of agreement and he couldn't even be sure that having met all of these points, there would be a favorable decision. My own guess is that if we were to meet them, we would stand a very good chance of maintaining the facade of the 1946 civil air agreement.

I asked him if I should suggest to Department that a technician be dispatched immediately to take part in the discussions and he responded, "not if he is going to make trouble". I do suggest to Department that if they are prepared to meet substantially points above, technician immediately leave. Otherwise effort might well be lost.

Jha made point that one of things he most desired was to establish a basis for working together, which would provide different atmosphere for future discussions. He very obviously is not prepared to go ahead on basis which merely repeats year after year sort of discussions which have gone on in past. I think it is fair to say that Jha and his superiors want to feel that it will not be necessary at least in immediate future to go through same process of termination notice and urgent discussions to try to rectify a situation which has developed through lack of understanding.

On whole, with a guarantee of maintaining two flights per week for each carrier, agreement from India that there will be no further cut in these flights, possibility of making increased flights through increased third and fourth freedom traffic and elimination of irritations involved in air discussions, I feel that very serious consideration should be given to proposals which have been put forward.

Appreciate earliest instructions.[1]

KENNEDY

[1] The Department informed the Embassy in telegram 835, Dec. 31, not printed, that it was unlikely that the GOI's conditions set forth in New Delhi telegram 898 would be accepted by the United States, and that the Department expected to advise the Embassy regarding a further approach to the Government of India on Jan. 3, 1955, after first having a further consultation with the CAB and the commercial carriers. (611.9194/12–3054)

611.9194/12-3054

Memorandum of Conversation, by David H. Ernst of the Aviation Policy Staff [1]

CONFIDENTIAL [WASHINGTON,] December 31, 1954.

Subject: United States–India Air Transport Problem

Participants: Messrs. Denny, Adams and Ryan—Members of Civil Aeronautics Board
Messrs. Peck, Watson, Sawyer, Davis, Park, Wanner and Mrs. Hillyer—Civil Aeronautics Board Staff
Miss Colclaser, Messrs. Barringer, Bolster, White and Ernst—Department of State
Mr. Tom Taylor—Trans-World Airlines
Mr. Russell Adams—Pan American World Airways
Mr. Stewart Tipton—Air Transport Association

The above named Department of State and CAB officials met to consider the subject problem in the light of New Delhi's telegram 898, December 30 containing the reaction and counterproposals of India to the most recent United States proposals for resolving United States–India difficulties within the framework of the 1946 Indo-United States Air Transport Agreement.

Mr. Peck recited the substance of telegram 898, pointing out the substantial differences between the United States and India positions. Mr. Denny asked if the Department of State recommended acceptance of the Indian position. Mr. Bolster responded in the negative stating that the Department considered the compromise of principle involved to be too great. Mr. Bolster suggested that the new information received from New Delhi should be discussed with the carriers. He added that as a tentative personal proposal he would suggest that (1) the present bilateral terminate, (2) the GOI be requested to issue permits of indefinite duration to PAA and TWA providing for two flights a week each, (3) PanAm would serve one point in India and TWA would limit its flights beyond Bombay to Ceylon to one a week. (4) There would be no other restrictions. (5) Failing agreement of the GOI to issue such permits, United States carriers would cease commercial operations to India.

Mr. Peck opined that such a suggestion would probably not work out and Mr. Bolster indicated he did not guarantee its success.

CAB Member Joseph Adams spoke at length to the point that the United States carriers should cut back immediately. He then precipitated a discussion on the question of whether the Indo-United States Air Agreement was a bilateral agreement *in fact.*

CAB Member Ryan asked if the State Department objected to

[1] This memorandum was drafted on Feb. 4, 1955.

overflight. Mr. Bolster replied that the Department would prefer traffic stops but not at an excessive cost.

Note: At this point Messrs. Tipton, R. B. Adams and Taylor joined the meeting.

After Mr. Peck had again summarized the substance of telegram 898, Mr. Tipton stated that acceptance of the Indian position would mean support of predetermination based upon the unilateral decision of the country flown into. CAB Member Adams again precipitated discussion of his point that the agreement was not a true bilateral because India did not have a service to the United States.

Mr. Taylor said he saw nothing new in this information with the exception of the condition that PAA reduce its traffic stops.

Mr. Russell Adams stated that this (Indian condition) constituted "tough medicine" and that he would have to ask Mr. Trippe's views before giving PanAm's position on the matter. He stated as his own view that the United States should tie in the present $70 million aid to India program with this air transport problem.

CAB Member Adams asked on the assumption that the bilateral goes out of effect on January 15, if the carriers prefer to overfly or should further efforts be made to secure some agreement?

CAB Member Ryan stated that United States is faced with an ultimatum and that if it accepted the Indian conditions it would be junking the Bermuda policy. Mr. Denny gave it his view that the alternative may be termination and an effort to get permits for the carriers to continue operations. Mr. Tipton said that as there was such a substantial policy problem involved that as the interests of other United States carriers would have to be taken into consideration, he could not give his view until discussions with other carriers had been held. However, he thought that there were three alternatives; (1) not to accept the GOI position and to restate the United States position; (2) to accept the GOI position; and (3) to work out some type of a *modus vivendi*.

Mr. Bolster made the following proposal which he said was his personal suggestion:

1. Restate our position to the GOI.
2. If that is unacceptable, ask GOI to issue permits to TWA and PAA for two flights a week each. Pan American to serve but one point in India and that be chosen by PanAm and TWA to operate but one Bombay flight onward to Ceylon. There would be no other restriction. The existing bilateral would terminate.
3. If this is not acceptable to the GOI, the United States carriers would overfly India with technical stops.

Mr. Bolster indicated that there was no assurance of a good chance of acceptance of this proposal. Mr. Barringer indicated his agreement with Mr. Bolster's suggestion noting, however, that this was not offi-

cial and that the problem had to be considered on the highest levels in the Department of State.

Mr. Taylor pointed out that this would be the first situation wherein two United States carriers would be involved in operations to a country with which there was no bilateral. He stressed that under the circumstances there should be no individual bargaining by either carrier with the foreign government and that both carriers must be guided by instructions from the United States Government.

Mr. Russell Adams agreed that there should be no individual bargaining in India.

CAB Member Adams said that the United States carriers should have voluntarily cut back their services two years ago because capacity being offered was unjustified. In response, Mr. Russell Adams stated that he thought that under the Bermuda principles four flights per week per carrier could be supported and, furthermore, that he could prove it. In answer to an inquiry, Mr. Taylor said that TWA was not willing that the government should go any further in making concessions to India. He said that his comments during the meeting were restricted to apply to efforts made to preserve the bilateral and did not necessarily apply in other circumstances. He indicated that TWA's minimum service to Ceylon should be two flights weekly, otherwise TWA would be forced to terminate operations to Colombo.

(In view of the necessity for the ATA and PAA representatives to refer the question to their principals, it was decided to withhold a further communication to New Delhi pending a resumption of this meeting on January 3 at 11:00 at which time full carrier views would be forthcoming.)

PAKISTAN

UNITED STATES RELATIONS WITH PAKISTAN; WHEAT AID; VISIT OF VICE PRESIDENT NIXON TO PAKISTAN; MILITARY AID[1]

Editorial Note

On February 2, 1952, representatives of the Governments of the United States and Pakistan signed an agreement in Karachi, supplementing the original Point Four Agreement of February 9, 1951, increasing the United States contribution to the technical and economic development of Pakistan under the Point Four Program. The agreement was transmitted to the Department of State as an enclosure to Karachi despatch 1031, February 13, 1952. (890D.00 TA/2–1352) An agreement listing the specific projects to be covered by the supplementary agreement was signed in New York on June 30, 1952. For documentation on the original Point Four Program, see *Foreign Relations*, 1951, volume VI, Part 2, pages 2203 ff. Information on the 1952 agreements is in the Department of State *Bulletin*, February 25, 1952, pages 296–297; *ibid.*, July 14, 1952, page 63; and Department of State files 890D.00 TA and 511.90D3. The text of the agreement is printed in *United States Treaties and Other International Agreements* (UST), volume 3 (pt. 3), page 3767.

[1] For previous documentation, see *Foreign Relations*, 1951, vol. VI, Part 2, pp. 2203 ff.

890D.2311/8–1852 : Telegram

The Acting Secretary of State to the Embassy in Pakistan[1]

CONFIDENTIAL WASHINGTON, August 27, 1952—2:48 p. m.

PRIORITY

292. Suggest you express regret delay involved and inform PM US prepared extend 35 year, two and one-half percent loan for $15 million to Pak for purchase wheat (approximately 150,000 tons) in US as measure to assist Pak meet its critical need for food (Embtel 1402 May 20 *et seq.*).[2] General understanding covering loan wld be discussed Wash and cld be taken care of by exchange

[1] This telegram was drafted by Kennedy and cleared in the offices of Bryan (S/MSA), OFD, H, and NEA.

[2] Not printed.

letters between Emb and Dept. Loan agreement and note wld be signed with Ex-Im Bank. This not, however, Ex-Im Bank loan since MSA auth involved making possible much better terms. World Bank official stated loan this character in his view wld not affect Bank's loans to Pak now contemplated, while Ex-Im loan wld do so. This important consideration and of course in Paks interest in pressing its econ development. MSA funds so limited impossible get more than $15 million and it is hoped this much wheat will do job per PM's comment in reftel and purchases already made other sources. Believe best raise question details understanding involved in Wash after indication Pak's willingness proceed. Suggest GOP instruct its Amb open discussions with Dept.

Re PM's comment (penultimate para Embtel 230 Aug. 18) [2] Spanish loan was under direct Congressional mandate with specific reference in legis; UK loan made under special provision MSA legis relating to general instrs to MSA to extend ten percent of aid provided for in form of loan. Neither of these loans made under Ex-Im auth and policies.

FYI to use at ur discretion strenuous effort involved not only in Dept but in various agencies to arrive this conclusion which explains time taken. Hope GOP understands that US has made very great effort to help under difficult circumstances.

Vital there be no publicity this matter until understanding reached on details and you advised. Pls inform GOP re this.

Pak Emb informed.

BRUCE

[2] Not printed.

890D.2311/6–1252

Memorandum of Conversation, by the Secretary of State [1]

SECRET [WASHINGTON,] June 12, 1952.

Subject: Pakistan's request for wheat and Kashmir.

Participants: The Secretary
Ambassador Avra Warren [2]
SOA—Mr. Donald D. Kennedy

I asked Ambassador Warren what had caused the wheat shortage in Pakistan. He explained that this was not a recurring situation; Paki-

[1] This memorandum of conversation was drafted by Kennedy.

[2] Ambassador Warren was in Washington to discuss conditions in Pakistan with the Department of State. On June 13 he met with members of the Bureau of Economic Affairs and explained that he had advised the Prime Minister of Pakistan to withhold a formal request until Warren had comp'eted his discussions in Washington. (Memorandum of conversation of June 13; 890D.2311/6–

Footnote continued on following page.

stan had had some 400,000 tons in excess of its needs at the time of partition which had been sold mainly to Japan and Germany; the country was normally self-sufficient; but that last year there was a shortage and this year there would be another one because of various factors including some shift to cotton and rather serious drought conditions. The Ambassador also explained that although the request was for 300,000 tons of wheat, he believed 150,000 tons at a cost of around $15 million would be adequate since there was reason to believe that this amount would bring out the necessary additional quantities from private hoards.

On the matter of financing, Ambassador Warren explained that he understood MSA funds could be found although they were being held back for other programs; there no doubt would be some difficulty because of this. I asked if this was to be a grant; and the Ambassador replied that since the Pakistanis had requested a loan of wheat, it should be provided on a loan basis.

Dollars were necessary to make the wheat available since he was informed CCC would not ship without compensation. The next possibility was the Export-Import Bank but it would be very difficult to obtain the necessary funds from this source since they preferred not to enter into such transactions; the only occasion on which they had engaged in a loan for wheat was to Spain under Congressional pressure. Turkey had wheat which could be bought for sterling, but this was not considered desirable because (1) the Pakistanis had asked for our help and (2) the use of sterling would require gold settlement through EPU. Since arriving in Washington the Ambassador had learned that the Russians had approached the Pakistan Prime Minister with an offer of 400,000 tons of wheat, to be paid for with cotton and jute, now in surplus supply in Pakistan. The Prime Minister had not entered into any discussions as yet, and preferred not to.

Ambassador Warren said it was urgent to assist the Pakistanis in this respect. The need was there, we had adequate supplies of wheat with a bumper crop coming up, and it was the first time the Pakistanis

---

Footnote continued from preceding page.

1352) Telegram 1345 to Karachi, June 14, informed the Embassy that an official of the Pakistan Embassy had transmitted a request for the U.S. Government to investigate the possibility of a loan of 300,000 tons of wheat, repayable in kind in 4 or 5 years. (890D.2311/6–1452) At a meeting with officers of the Department of State, held in the Department of Agriculture on July 21, Agriculture officials agreed that the wheat supply position of the United States would permit it to deliver 300,000 tons of wheat to Pakistan during the period from October 1952 to March 1953. (Memorandum of conversation of July 21; 490D.119/7–2152)

had ever asked for our help. Mr. Kennedy commented that we would be left in a particularly difficult position in Pakistan if we did not do something because when India asked for our aid in obtaining wheat we went to great lengths to extend a $190 million loan on very easy terms. The Pakistanis would not understand a refusal to help them; and such refusal would be embarrassing because of the small amount of money involved as compared to what was done for India. I said I did not need convincing on this.

I indicated general agreement that we should assist Pakistan to obtain the needed wheat and asked that steps be taken in this regard.

Ambassador Warren said he wanted to discuss briefly Kashmir. He had had some very good conversations with Ambassador Bowles and Mr. Hickerson; the former was being very helpful. He thought that Dr. Graham and ourselves could be gotten off the hook if the two Prime Ministers met without agenda under Dr. Graham's chairmanship. He and Ambassador Bowles should press the two governments to do this. Something might come of such a meeting; if not, we and Dr. Graham could not be censored since everything had been done to make success possible.

I said that I would like to talk about Kashmir more fully at a later time. The situation seemed to have changed considerably since I last discussed the problem.[3]

---

[3] For additional information on this topic, see pp. 1162 ff.

Editorial Note

On September 17, 1952, a ceremony was held at the White House for the signing and exchange of loan documents for the loan of $15 million to Pakistan for the purchase of wheat. The loan was made by the Export-Import Bank, using funds made available by the Mutual Security Act of 1951, as amended. Copies of the remarks made by the President and the Ambassador of Pakistan at the ceremony are in the Secretary's Memoranda, lot 53 D 444, White House Press Conferences. A White House press release on the signing is printed in the Department of State *Bulletin*, September 29, 1952, page 490. Additional documentation is in Department of State files 890D.2311 and 890D.5 MSP. The text of the agreement for the Loan to Pakistan for Emergency Wheat Purchase of September 17, 1952, is printed in 5 UST 348.

890D.2311/1–2853

Memorandum of Conversation, by Peter Delaney, Office of South Asian Affairs

SECRET [WASHINGTON,] January 28, 1953.

Subject: Pakistan's 1953–54 Food Situation

Participants: Sir Zafrulla Khan, Foreign Minister, Government of Pakistan
Mohammed Ali, Pakistan Ambassador to the United States
DMS—Mr. Ohly
DMS—Mr. Norman Paul
S/MSA—Mr. Martin
S/MSA—Mr. Frechtling
SOA—Mr. Delaney

Sir Zafrulla Khan indicated that he wished to present the US Government with the facts on the food shortage situation which was developing in Pakistan with respect to the 1953–54 wheat crop. He stated his Government's gratitude with the loan which the US Government had recently made to Pakistan to enable Pakistan to purchase wheat in the United States. He said that the wheat crop in Pakistan in the coming season would fall short of Pakistan's ordinary crop. Last December the estimate had been made that the crop would fall short by 1 million tons; this figure was subsequently raised to 1.2 million tons and now it appeared from investigations made last week that the shortage would be 1.5 million tons. He placed the responsibility for this largely on the alleged progressive reduction by the Government of India in the amount of water for irrigation made available by India to Pakistan. Three of the rivers which irrigated Pakistan flowed first through India. The amount of water in West Pakistan was estimated in the 1953–54 season to be only 78 percent of that in 1952–53, a figure which, since it included all West Pakistan, did not indicate the full extent to which the water from sources originating in India had been reduced.

Sir Zafrulla also referred to the extraordinary drought which had occurred for the second year running as a cause of the shortfall.

The Government of Pakistan would continue to make every effort to work with the International Bank in its efforts to solve the problem of the Indus basin waters and Sir Zafrulla referred to the present investigation on an engineering basis by a tri-partite team of the water uses of the Indus Basin. The Government of Pakistan's position was that in accordance with their agreement with India no reduction should have taken place or take place, on the basis of established uses. They had made their views known to the International Bank.

Sir Zafrulla said that he had been asked by his Government to make an official request of the US Government that Pakistan be "put in a position" to be able to obtain 1 to 1.5 million tons of grain to make up the anticipated shortfall in the 1953–54 crop. He indicated that this could be done on a long-term loan basis or possibly as a gift, or on some combination of these two means which could be discussed subsequently. They were *in extremis* and they had to feed their people.

Mr. Ohly asked what was the period of need to which Sir Zafrulla had been referring. Responses of the Pakistani officials were at first somewhat imprecise but on the basis of a crop shortfall in the general period of April, 1953 to April, 1954 they stated that they wanted one-sixth to one-fourth of the total mentioned to be made available immediately, with the feeling that the amount of wheat forthcoming from the harvest, which would start in late February, would with this amount of imports keep them going until late summer or early fall of 1953.

Sir Zafrulla said that the foreign exchange position of Pakistan was extremely low, that the amount of wheat which they had been obliged to pay for in this last year had been a great burden both on their foreign exchange position and on their budget. The budget had been seriously affected because other imports had had to be cut, thus reducing their budgetary receipts from their main sources of revenue: customs duties. Their blocked sterling, he said, had been liquidated.

Mr. Martin asked whether the Government of Pakistan had in mind exploring the same sources as had been the case with respect to last year and referred to the fact that Turkey had been a source and had an exportable surplus of wheat. Sir Zafrulla indicated that Turkey was a possible source but that they had little money with which to finance the imports. Ambassador Ali said that Turkey had been able to make such remarkable progress in its food production because of increased farm mechanization; that was a need of Pakistan. Sir Zafrulla indicated that mechanization was only part of the answer; it was not too useful in the Punjab, but it was possible in the Sind and in accelerating the Thal and lower Sind Barrage projects.

Mr. Martin asked whether the shortfall figure mentioned by the Pakistani officials was that of a deficit which must be met from external sources of supply or a total which might be met from both internal and external sources. He referred to the fact that when the US government was considering Pakistan's shortage last year, there had been indications that hoarding might have been a significant factor and that the import of wheat might have resulted in dishoarding by Pakistani farmers. The Pakistani officials stated that they did not know whether dishoarding had resulted, but in any case the amounts of wheat thus available had already been absorbed.

Mr. Delaney asked at what time it might be possible to determine

213-752 O - 83 Vol XI - Pt. 2 - 49

more precisely the extent of the shortage. Sir Zafrulla replied that they would be able and would be glad to give us official figures on a continuing basis.

Mr. Paul asked whether the Pakistan Government anticipated that this food shortage was becoming a chronic situation. The Pakistani officials replied that they recognized that they would have to make every effort to increase food production in Pakistan. They were now doing this through an acceleration of the Thal project and through the temporary measure of installing tube wells. They were also converting land from production of cash crops to food production. On the matter of population pressure, which had been raised, Sir Zafrulla referred to the influx of refugees after partition and said that they were still getting 200 to 500 a day. He thought that their rate of population increase, while too high, was considerably lower than that of India. They recognized that their first responsibility was food production and they would work on this also through the US technical assistance program. They saw this situation which had arisen with great grief because they had hoped that, instead of taking, they might have been able to provide food to the Commonwealth. They had ordinarily, they said, had a small exportable surplus from West Pakistan, some of which could be devoted to East Pakistan and some to other countries, but they no longer had this surplus. Sir Zafrulla said that he hoped that for the next year (1954–55 crop year) they might end up even but that they would have to be on the *qui vive* to achieve this.

Mr. Ohly said he would take the earliest opportunity to present the matter to Mr. Stassen. A request of this magnitude created problems for the US Government. Even on the comparatively small amount which we had made available last year to Pakistan there had been very great difficulties in obtaining the funds. Foreign aid funds were made available by the Congress for specific uses in specific countries, and while Pakistan's request had been small in proportion to total US aid, the fact that funds had been so appropriated and so allocated had made it very difficult for us. In the present instance, because of the magnitude involved, it would likely be necessary to go to the Congress for action; the President, Mr. Dulles and Mr. Stassen would consider what could be done. Meanwhile, the Pakistan Government could be assured that their problem would be sympathetically considered. He expressed his gratitude for the clear and frank exposition which Sir Zafrulla had made of Pakistan's problem.

Sir Zafrulla indicated surprised gratification and stated that his Government made this request with great grief—that they had hoped not to have to bother us with such a problem, although they had other problems—political problems—on which they did wish our assistance. The United States had no obligation to assist them or the rest of the world in the manner in which it had so assisted and the United States had not received sufficient gratitude from the world.

Secretary's Letters, lot 56 D 459, B

Memorandum by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade) to the Secretary of State [1]

SECRET [WASHINGTON,] March 25, 1953.

Subject: Pakistan's need for wheat.

An analysis of Pakistan's 1953–54 wheat situation prepared in the Department concludes that although it is too early to determine the exact amount, it can be expected that Pakistan's wheat import requirements for 1953–54 will likely range from .8 to 1.3 million tons for which US aid may be required for up to 750,000 tons at an estimated cost of $75 million. A more accurate judgment will of necessity have to await later information.

Pakistan's ability to finance its emergency need rests upon its foreign exchange earnings, its holdings of foreign assets, and the possibility of bartering surplus cotton and jute for wheat. There is a balance of payments deficit on current account and its foreign exchange assets, exclusive of Indian notes and securities, are seemingly required for its currency reserves and working balances for foreign trade operations. The estimated amount of US assistance needed takes into account possible barter deals which Pakistan might be able to arrange and Pakistan's drawing rights in the International Monetary Fund of up to $25 million.

The political importance of assisting Pakistan in this matter is of a very high order. Pakistan is potentially an important contributor to Middle East defense and is strategically located between free Asia and the Middle East. Its basically friendly leadership has weakened during the last year, and within the very recent past martial law has had to be declared in Lahore because of riots organized by an anti-Western Muslim group assisted by communist elements. Failure of the government to take adequate action in a food crisis would most certainly lead to still greater internal disorders and difficulties with increased jeopardy to the security interests of the US. Refusal on our part to assist Pakistan to meet its need for food, especially in the light of our very large carry-over of wheat, would not only be widely misunderstood but would oblige Pakistan to exert great effort to obtain wheat from Russia with resulting serious loss of US prestige in the whole area. The risk involved in our not acting to assist Pakistan in its food emergency is too great for us to accept.

Recommendations

1. That you agree in principle to help Pakistan meet its emergency need for wheat, the exact amount of aid and method to be used to be

[1] This memorandum was drafted by Kennedy (SOA) and cleared by Turnage (E), Frechtling (S/MSA), Hardesty (TCA), Gardner (NEA), and Claxton (H).

determined later after further data become available. This will probably require a coordinated executive approach to Congress for additional legislative action.

2. That you sign the attached letters to Secretary of Agriculture Benson and the Director for Mutual Security, Mr. Stassen.[2]

[2] See the letter to Benson, *infra*. A handwritten note on the source text indicated that the letters to Benson and Stassen were delivered by special messenger on Mar. 31.

Secretary's Letters, lot 56 D 459, B

The Secretary of State to the Secretary of Agriculture (Benson)[1]

SECRET [WASHINGTON,] March 31, 1953.

MY DEAR MR. SECRETARY: In late January Sir Zafrulla Khan, Foreign Minister of Pakistan, informed General Smith and Mr. Ohly, Mr. Stassen's deputy, that there would be a grave food situation in Pakistan during the 1953–54 crop year.[2] An analysis of all the information presently available, in which officers of the Far East Division of the Office of Foreign Agricultural Relations participated, indicates that United States aid of up to 750,000 tons of wheat at an estimated cost of $75 million may be required. I enclose a brief statement on the problem.[3]

It would be very helpful to have a first-hand report of the situation in Pakistan, both for our own information and to assist in presentation of a request to Congress. This could be best met, I think, by a special mission of three or four people to go to Pakistan in April since, if Congressional action is required as I expect it will be, additional legislative action will have to be requested some time in May in anticipation of a summer recess. I would appreciate your designating someone to work with Assistant Secretary Byroade in determining the membership of such a mission and agreeing on relevant details.[4]

Sincerely yours, JOHN FOSTER DULLES

[1] This letter was drafted by Kennedy on Mar. 24 and was attached to the Mar. 25 memorandum of Byroade to the Secretary, *supra*. A copy of the source text was sent to the Director of Mutual Security, together with a letter to him, also dated Mar. 31, asking his help in working out a solution. (Secretary's Letters, lot 56 D 459, B)

[2] See the memorandum of conversation of Jan. 28, p. 1822.

[3] The memorandum, entitled "Pakistan's Need for Wheat", is not printed. It was basically the same as the Byroade memorandum to the Secretary, dated Mar. 25, *supra*.

[4] A Department of State press release, dated Apr. 27, announced that the Secretary of State and Director of Mutual Security were sending a mission to Pakistan to survey the wheat situation. The mission was to be headed by Harry Reed, Dean of the College of Agriculture and Director of the Agriculture Extension Service of Purdue University. He was to be assisted by Norman J. Volk of Purdue University and Peter Delaney of the Office of South Asian Affairs, De-

Secretary's Letters, lot 56 D 459

Memorandum by the Secretary of State to the President[1]

WASHINGTON, April 30, 1953.

Subject: The Food Situation in Pakistan

In response to your memorandum of April 23, 1953,[2] I concur with the first five points of the attachment,[3] which contain an analysis of Pakistan's desperate food situation, except for the indication in paragraph 4 that 1 million tons of wheat would cost about $90 million. One million tons may cost as much as $110 million delivered to Pakistan.

I agree completely that famine relief for Pakistan through a dollar loan would severely limit its ability to borrow for, and thus seriously retard, necessary economic development. A dollar grant would overcome the difficulty.

The proposal for a revolving relief fund raises several difficult problems:[4]

1. Present studies make it appear unlikely that Pakistan in the foreseeable future will have a wheat surplus adequate to repay the loan and at the same time meet the increasing demands of its people.
2. It would be politically unwise to saddle Pakistan with an enormous debt which it could not repay either in dollars or in kind without seriously retarding its economic progress.
3. Enormous administrative difficulties can be foreseen in the concept of a revolving fund, such as those connected with:

(*a*) mutual agreement on a definition of "surplus" for purposes of repayment;

(*b*) definition of the term "crisis" with regard to future recipients;

(*c*) control, exceptional storage problems, shipment and transportation of grain held in the fund; establishment of an organi-

---

partment of State. (Department of State *Bulletin*, May 18, 1953, p. 723) The Report of the United States Wheat Mission to Pakistan, dated May 19, 1953, concluded that it was in the security interest of the United States to extend food assistance to Pakistan at the earliest possible moment. That action would avert the threat of famine and the possible political and financial collapse of the friendly government of an important and strategic country. (890D.2311/5–1953)

[1] This memorandum was drafted by Fluker and Smith (SOA) on Apr. 28.

[2] Not printed; it requested Department of State comment on an attached memorandum, entitled "The Food Situation in Pakistan," dated Apr. 21.

[3] The first five points of the attached memorandum of Apr. 21, which is not printed, were: 1) Pakistan was facing real danger of famine after two successive crop failures; 2) the crisis in 1951–52 had been met by importing wheat; 3) the 1953 crisis was more severe than the previous ones; 4) the Government of Pakistan hoped to obtain wheat from the United States and other countries, but did not have the means to pay for it; 5) a dollar loan would tax Pakistan's limited capacity to repay its dollar obligations and would reduce its ability to borrow for economic development.

[4] The sixth point of the Apr. 21 memorandum said that there were only two ways to avoid famine in Pakistan without seriously retarding growth. One was through a grant-in-aid, and the second was through a loan that would be repaid in grain.

zation to administer the fund; and the relation of this fund to other regions and food grains.

The foregoing factors would require (including the legislative process) extensive and perhaps protracted study. Pakistan will need wheat urgently in the next few months. The Government of Pakistan, most friendly to us, needs immediate assurance of our aid. I strongly recommend, therefore, that our aid be in the form of a dollar grant.

JOHN FOSTER DULLES

Editorial Note

From May 22–25 the Secretary of State was in Pakistan, as part of a trip he made to the Middle East with the Director of Mutual Security. For a complete set of the memoranda of conversation between the Secretary and Pakistani officials, see volume IX.

890D.2311/5–2353

Memorandum of Conversation, by the Director, Office of South Asian Affairs (Kennedy)

CONFIDENTIAL [WASHINGTON,] May 23, 1953.

Subject: Dr. Harry Reed's report on his mission to Pakistan to study the wheat problem.

Participants: The Acting Secretary, General Smith
Drs. Reed and Volk, members of Special Mission to Pakistan on wheat
Mr. Jernegan—NEA
Mr. Kennedy—SOA

Dr. Reed summarized his findings, emphasizing in particular the urgency of aid and the importance of making possible the development of Pakistan's economy through the use of counterpart funds which would arise out of the grant portion of the assistance.

The Acting Secretary pointed out the great difficulty which a request for a dollar appropriation would face at this time, to which Dr. Reed replied that questions of this kind were really out of his province; he believed the answer would have to be given by responsible officials in Washington. The Acting Secretary said that it would be very unfortunate to provide aid on a basis that would put the World Bank out of the business of making further loans to Pakistan for economic development; a dollar loan would do this. Mr. Black, President of the World Bank, had suggested to the President a loan of wheat repayable in kind and the President was very much taken with this idea. There was also the possibility of making a grant of wheat. This could be done

without a dollar appropriation at this time through Congressional authorization to the CCC to give wheat to Pakistan.

The Acting Secretary asked that the various alternatives be listed in order that a decision might be reached at Cabinet level on the question of how to extend aid. Mr. Jernegan said this would be done. The Acting Secretary also suggested that Drs. Reed and Volk see Secretary of Agriculture Benson before they left town and this was arranged for later in the morning.[1]

[1] Memorandum of conversation not printed.

Editorial Note

Telegram 1694 to Karachi, May 30, 1953, informed the Embassy that the Executive Branch had approved wheat aid to Pakistan and was proposing that a joint resolution of Congress make available to the President up to one million long tons of wheat from the Commodity Credit Corporation wheat stocks. (890D.2311/5–2753) On June 10 the President sent a message to Congress, asking it to provide sufficient aid to Pakistan. (Department of State *Bulletin*, June 22, 1953, pages 889–890) The text of S. 2112, the Senate bill embodying the President's proposal that was passed on June 16, is in the *Congressional Record*, June 16, 1953, page 6831. The President signed the Wheat Aid Act on June 25 (67 Stat. 80), and the first shipment of wheat left from the port of Baltimore on June 26. The text of the Emergency Wheat Aid Agreement of June 25, 1953 is in 4 UST (pt. 2) 1642. An exchange of letters between the President and the Prime Minister of Pakistan concerning the wheat aid is in the Department of State *Bulletin*, July 6, 1953, page 16.

Editorial Note

Following the visit of the Secretary of State and the Director of Mutual Security to the Middle East in May 1953, the focus of United States efforts regarding the defense of the Middle East changed from the concept of a Middle East Defense Organization to the idea of concentrating on the defense of the northern tier of the Middle East. For documentation on the northern tier concept, see volume IX.

In the fall of 1953, Pakistan made some informal and unofficial requests for military aid from the United States. The Department of State considered Pakistan part of the northern tier and began to discuss the idea of providing some military aid to Pakistan as one aspect of the defense of the Middle East. There was some discussion, however,

about the reaction of India if the United States should provide arms to Pakistan. For documentation on this topic, see pages 1633 ff.; on Kashmir, see pages 1162 ff.; on Pushtunistan, see pages 1365 ff.; and on Middle East security, see volume IX. Additional documentation is in Department of State files 890D.5 MSP and 780.5.

611.90D/12–153 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State

SECRET KARACHI, December 1, 1953—2 p. m.

396. Embassy believes Vice President's visit [1] could be made opportunity for making several points which we believe extremely important to future United States–Pakistan relations. We have reported dissension within Cabinet and frustration developing in country. Cabinet changes are expected but we do not anticipate elimination Mohammed Ali although it possible he might resign in discouragement. We believe with all his weaknesses he still represents best hope for Pakistan. Consequently, while scrupulously refraining from suggestions subject to mistaken interpretation, we believe we should use our influence to strengthen Mohammed Ali's position.

As we have reported, extension military aid would we believe improve Prime Minister's position and might counteract some of frustration now prevalent. However, more decisive action on several fronts is required if Prime Minister is to galvanize government and inspire confidence.

I suggest that in his talks with Governor General and Prime Minister Vice President might, without getting into details, impress upon government necessity for strong and firm leadership.

Following points are suggested:

(1) United States hopes Pakistan will develop as modern, progressive state. (2) United States believes Pakistan appreciates importance ME defense (if affirmative decision military aid reached or about to be reached Vice President might refer to it). (3) United States hopes Pakistan can succeed in perfecting unity of country, hopes Prime Minister will assert himself strongly in bringing factions together. (4) Strengthened United States–Pakistan relations inevitably condition to considerable degree by stability GOP. Stable strong GOP can play important world role contribute much to development free world concept. (5) United States hopes for progress Indo-Pakistan relations appreciates efforts GOP settle outstanding issues hopes these will continue.

Unless Department perceives objection I intend make those suggestions to Vice President upon his arrival.[2]

HILDRETH

---

[1] See the editorial note, p. 1068.

[2] For the Department of State answer, see telegram 425 to Karachi, Dec. 4, *infra*.

611.90D/12–153 : Telegram

The Acting Secretary of State to the Embassy in Pakistan[1]

SECRET PRIORITY WASHINGTON, December 4, 1953—5 : 39 p. m.

425. Department concurs your making suggestions to Vice President urtel 396[2] subject to following:

1. Assume caution will be taken against patronizing tone with Pakistan officials.

2. Believe desirable if in addition Embassy's points Vice President could give positive encouragement to Governor General and especially Prime Minister. Vice President might voice our sympathetic understanding magnitude Pakistan's problems and complex political climate in which Prime Minister must tackle them. We are encouraged to believe that broad mass Pakistan people behind Prime Minister and are looking to bold leadership from him. We appreciate that he is beset with such chronic and frustrating obstacles as provincialism and religious extremism and perhaps even with colleagues who are not sympathetic to his aims. But these are obstacles that can most effectively be attacked with imagination, determination and confidence. When the Prime Minister feels in all sincerity he is heading toward right goals he should carry his fight to the people and obstructionists within and without his governing circle must follow him or stand up and be counted as constituting opposition. Throughout talks there should be clear sincere note that we are confident Governor General, Prime Minister and Pakistan leaders in sympathy with them will be successful in their efforts.

3. Reference to U.S.–Pak military assistance does not seem fall in pattern such remarks. Vice President may wish therefore to confine self to hearing Pakistan statement of position and explain in reply to questions he has been away from U.S. for some time and therefore is not prepared to answer specific questions on subject.

SMITH

[1] This telegram was drafted by Smith and Metcalf (SOA) and cleared by Jernegan (NEA).

[2] *Supra.*

Karachi Embassy files, lot 59 F 4

Memorandum of Conversation, by the Ambassador in Pakistan (Hildreth)

TOP SECRET [KARACHI,] December 7, 1953.

Participants: Ghulam Mohammed, Governor General of Pakistan
The Vice President of the United States
The Ambassador

The Governor General talked mostly about the military aid question, stating it was absurd to think of Pakistan attacking India with 40

million Muslims in India and indicated Nehru did not believe Pakistan would ever attack India. The Governor General said that if aid were granted he would personally fly to New Delhi to visit Nehru as an old friend and re-assure him on any fears he might have of the intent of Pakistan in its use of military equipment. The Governor General referred to a frank talk he had had with Nehru's sister in New York in which, I gathered, he and the sister agreed Nehru was very stupid on the subject of Communism and the Governor General at least felt that the sister was much more realistic.

I believe the Governor General said his visit to Turkey assured him that Turkey was anxious to enter into an alliance with Pakistan but that the Governor General had said it was premature and that first military aid should be granted directly to Pakistan. Personally I got the impression that the Governor General wanted the strength of a direct agreement between U.S. and Pakistan to strengthen his bargaining position with Turkey when the time came to enter into an agreement with Turkey. I think that the Governor General put it on the ground that he had nothing to talk about that was of any use to Turkey until he was assured of military assistance by the U.S., but that once assured of that military assistance, he thought he could be very helpful in bringing Iran into an agreement and could go further by being helpful in lining up support of Saudi Arabia because the new King of Saudi Arabia was a very good friend of his. He made it clear this was not a promise as far as Saudi Arabia was concerned but a possibility.

I believe he expressed the opinion that Nehru would be angry if aid were granted but it would principally blow over in three or four months and he doubted that even Nehru was ready to tie up with Russia or China out of pique.

The Governor General made the point that delay by the U.S. in giving military aid to Pakistan would make Nehru more difficult to deal with on the Kashmir issue. The Governor General also emphasized that were the U.S. not to grant aid now, especially in view of all the publicity, it would be like taking a poor girl for a walk and then walking out on her, leaving her only with a bad name. Subsequently, it was interesting to find the Prime Minister using the same analogy, which clearly indicates they put their heads together before seeing the Vice President and me.

He also emphasized to the Vice President that a certain amount of firmness was necessary when governing and that though a peaceful man, when the time came to be firm he believed in being firm. *Query:* How far this may reflect intimations he received when in Washington?

033.1100 NI/12–853 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State [1]

TOP SECRET KARACHI, December 8, 1953—5 p. m.

421. Eyes only for Secretary and Byroade. Below summary statements Governor General in presence Nixon and Hildreth and of Prime Minister in presence Cabinet Secretary, Nixon and Hildreth, followed by Embassy comments. Nixon has seen this cable and concurs factual report, but reserves opinion on Embassy comments and, from Iran, after reflection, will send his own opinions with copy to Karachi.[2] Summary cable Nixon visit will follow 12 pouch.[3]

Governor General talked mostly of military aid which so prominent in everyone's mind as to be almost exclusive subject of intimate discussions in all quarters. Averred ridiculous for Nehru think of Pakistan attacking India and doubted if any expression such fear on Nehru's part genuine. If aid granted, Governor General would personally fly Delhi to visit Nehru as old friend and give any assurances requested alleviate concern India. Casually expressed thought Nehru's sister in recent talk in New York with Governor General agreed with latter her brother very stupid on subject Communism. Governor General said on recent stop-over Turkey, Turkey assured him it anxious enter alliance GOP but Governor General replied he had little to talk about until aid granted by United States and direct aid to GOP should be preliminary to any GOP–Turkey agreement. Indicated once military aid granted, he thought he in particularly valuable position to help bring Iran into agreement and also he had great influence with new King of Saudi Arabia which he indicated he was not promising to use, but which could be an asset in future. Admitted Nehru angry if aid granted, but anger would blow over in three or four months and he doubted if even Nehru would come any closer to Russia or China out of pique. Urged that delay in giving GOP military aid would make Nehru more difficult on Kashmir issue and would also leave GOP in eyes of world, after so much international publicity, like jilted girl. Said amount of aid unimportant; best way was to send military mission to determine extent help necessary and how it could be most effectively given. But mission should come only after firm commitment.

In conclusion, in reply to Nixon's direct question what would effect

---

[1] This telegram was repeated for information to New Delhi as telegram 88.

[2] Telegram 1281 from Tehran, Dec. 9, not printed. The Vice President said he had reached certain conclusions that he would like to pass on to the Secretaries of State and Defense before a final decision was reached on military aid. (033.1100 NI/12–953)

[3] Despatch 364 from Karachi, Dec. 14, not printed. It gave a summary account of Nixon's visit and transmitted copies of his arrival and departure speeches to the press, as well as a copy of a speech he made over Radio Pakistan on Dec. 8. (033.1100 NI/12–1453)

be on Pakistan of failure to give military aid, Governor General replied "disastrous".

Governor General indicated rulers had to use a certain amount of firmness when necessary. *Query:* How far this thought reflected intimations he received when in Washington.

Prime Minister spoke frankly and ably. Commented Nixon's reference to Soviet colonialism should have been to imperialism and GOP convinced time will come when Russia would strive for access to Persian Gulf through Iran, Afghanistan and Pakistan. This was of vital urgency which free world should appreciate. Regardless United States aid GOP must and will do all it can to prevent such action both on ground of preventing physical destruction GOP and on ground all true Muslims will always have to fight putting all powerful state ahead importance and well-being of individual. Prime Minister emphasized silly India talk about GOP fighting India; even if military equipment made start possible GOP could never maintain an offensive without continuing support industrial powers, so merely giving equipment would not make possible war against India. On other hand, political party in India openly urging Indian domination sub-continent so GOP must always maintain high defenses. If military aid given, would help GOP tackle with money and talent economic problems which now have to take second place to defense, though Defense Secretary Mirza in subsequent conversation said GOP would not sponge on United States aid by decreasing its present military appropriations. Prime Minister admitted India would resent military aid but Nehru's ambitions would not lead him become "tail of dog" of Russia and China even if piqued. Convinced Nehru maintaining neutralism purely for bargaining purpose of playing East against West and wondered how long he could successfully play it. Prime Minister said military aid not forthcoming now would be like taking girl down primrose path and deserting her in the limelight of world publicity. Felt would not only be diplomatic defeat for GOP, but in eyes of world, diplomatic victory for Russia and India and blow to United States. Parenthetically, Defense Minister and others expressed concern that failure to deliver would be blow to Prime Minister who as much by circumstances as his own conviction is supposed to be the warmest friend of United States not only in Pakistan, but in this area. If one so close to United States cannot get help when willing to stand up and be counted, what hope is there for others who are willing stand up and be counted. Prime Minister would be tagged as not having anywhere near his supposed influence with United States. Prime Minister again emphasized wanted United States to be sure it was convinced military aid was a sound thing, but if so convinced, stick by decision and do not be deterred by pressures. When queried, he replied he had no objection to Pakistan first

publicly asking for aid provided it was entirely understood the request would be acted upon favorably.

Embassy comment: From point of view of GOP–United States relations, Embassy subscribes wholeheartedly to frank statements of key officials except so far as effect on Nehru is concerned. Embassy believes Allen best judge and we merely pass on GOP officials opinion of military aid question reaction by Nehru. Last sentence Allen's excellent concluding paragraph Delhi telegram 872 to Department (repeated Karachi 99)[4] would seem to Embassy to leave out the negative aspect of the danger that will be done in this area of the world if after all the publicity nothing is forthcoming. In other words, the question of military aid to Pakistan now involves not only affirmative considerations, but negative considerations which reach beyond India and Pakistan.

Embassy believes basic question is simple: Are advantages of Pakistan contribution to Middle East defense as active participating free world partner outweighed by adverse reaction in India. We venture to express opinion that former is objective worth risks.

Secondary consideration, apart from merits of question, is adverse effect on GOP and United States interests in Pakistan and area of now rejecting Pakistan's request for military aid. We believe this is serious consideration.

HILDRETH

[4] Dated Dec. 4, not printed.

780.5/11–3053 : Telegram

The Secretary of State to the Embassy in Turkey[1]

TOP SECRET WASHINGTON, December 24, 1953—4:06 p. m.

686. For the Ambassador. Decision on extension of military assistance to Pakistan has not as yet been made by the US Government.[2] Before requesting such a decision we wish to determine procedures to be followed in event it is decided to go ahead. Conceivably the type of procedure that could be worked out might have a bearing upon the decision itself.

We think best way would be in form of support for some sort of regional defense cooperation initiated by states in the area. Believe this important both domestically and abroad to provide rationale for extension military aid programs beyond present geographical limits and to support our contention that assistance to Pakistan is

[1] This telegram was repeated to Karachi, New Delhi, Tehran, Baghdad, Kabul, and London.

[2] This matter is discussed in greater detail in a memorandum by Byroade to Nash, on the topic of military assistance to Pakistan, dated Oct. 15, 1953, printed in volume IX.

directed toward defense against outside aggression and not against India or Afghanistan.

Recent reports from missions at Ankara, Baghdad, Tehran and Karachi seem to show that sole present possibility is to bring about bilateral Turk-Pakistani arrangement, which would however be open to adherence by others in future.

Urtel 557 November 30 [3] quotes Governor General Ghulam Mohammed as saying President Bayar confirmed to him Turk willingness to enter immediately into "defense pact" with Pakistan and further willingness to include Iran if and when Iranian conditions indicate sufficient stability. If Governor General's report correct and if he himself accurately reflects Pakistani views, there would seem to be no serious obstacle to early action by Turks and Pakistanis.

Unless you see objection request you approach Turks in greatest confidence without delay along following lines:

1. As Turk Government knows we have been considering program of military aid to Pakistan. We consider Pakistan has potential to make real contribution to defense of Middle East if assisted by Western Powers. However, there are certain obvious difficulties (such as Indian attitude) in way of military aid program and we have not yet come to final decision. We wish to consult Turks on this whole subject.

2. It seems to us that one way to minimize political repercussions and maximize Pakistani area defense contribution might be to link US aid program with initiation of mutual defense arrangements between Turkey and Pakistan and any other states in the area which might be interested and acceptable to first two. This would show that intent of US aid is to strengthen area defense against outside aggression rather than to take sides in disputes within area such as those that exist between Pakistan and her neighbors. Early creation of regional arrangement would have further advantage of enabling a start on regional defense planning which is highly desirable from military viewpoint.

3. We understand Governor General Ghulam Mohammed discussed with Turks (as he did with us) possibility of Turk-Pakistani defense arrangement with eventual addition of Iran and Iraq and possibly others. We should be glad to know whether Turks are disposed to consider this seriously.

4. We assume Turks would not envisage binding military alliance which might conflict with Turkey's NATO obligations and go beyond present stage of Pakistani thinking. We believe, however, some looser arrangement (perhaps similar to Turk-Greek-Yugoslav pact) [4] providing consultation and joint defense planning would be both practicable and useful. We would not contemplate participation by US or any other Western Power. Our part would be to assist such arrangement rather than participate as member.

5. We do not believe time has yet come for inclusion Iran or Afghanistan in such an arrangement. Similarly, most Arab states are too pre-

[3] For text, see the compilation on U.S. security policy in the Near and Middle East in volume IX.

[4] This reference is to the Treaty of Ankara, Feb. 28, 1953. For documentation on this topic, see volume VIII.

occupied with Palestine and disputes with West to be ready join anything savoring of Middle East Defense Organization, even without direct Western participation. We have however some reason to believe Iraq would not be unreceptive to defense planning, despite negative attitude of other Arabs. Iraqis have recently shown keen appreciation of Soviet threat through Iran and are pressing us for modest military aid (which we may give). We understand Ghulam Mohammed talked to King Faisal re defense planning and found sympathetic attitude. Since Iraq would obviously be important link in defense chain, it would seem desirable that any planning for regional defense arrangement should keep in view desirability of including her at some juncture. We would not however consider her participation need be a condition precedent to establishment of arrangement between Turkey and Pakistan.

6. In light of Turk views on foregoing, together with any other observations they may wish to make, we expect very shortly to review whole picture and arrive at final decision re military aid to Pakistan. If that decision is to go ahead and if Turks concur in general desirability of Turk-Pakistani defense arrangement as suggested above, we shall want to concert with Turks on tactics. We think it would be undesirable for US to take any public initiative. Either Turkey or Pakistan could lead off by proposing (to the other) exploratory bilateral talks. These might be secret at first but at some fairly early stage it would seem desirable that the two parties publicly announce their intention to negotiate. Simultaneously or shortly afterward Pakistan could make formal request for US military aid and we could make public favorable response based on idea of supporting collective security as exemplified by proposed Turk-Pakistani pact.

We expect in the next few days to advise British of our line of thought as outlined above but do not plan to say anything further Pakistanis until we have Turk reaction.[5]

Consider it important avoid any publicity at this stage re approach to Turks.

DULLES

[5] Telegram 658 from Ankara, Dec. 29, advised the Department of State that the Ambassador had discussed the substance of the source text with the Turkish Prime Minister on Dec. 28, and the Prime Minister said his thinking coincided with that outlined by the Ambassador. The Prime Minister confirmed his conversations with Ghulam Mohammed and told the Ambassador he had also had a recent conversation with the Ambassador of Iraq. (780.5/12–2953)

780.5/12–2953 : Telegram

The Secretary of State to the Embassy in Pakistan[1]

TOP SECRET WASHINGTON, December 29, 1953—7 p. m.

483. For Ambassador. Agree PM should be informed (Embtel 473)[2]

[1] This telegram was repeated to Ankara and London.

[2] Telegram 473 from Karachi, Dec. 29, not printed, informed the Department of State that the Prime Minister of Pakistan was leaving for Dacca on Jan. 1 and was not expected back until Jan. 12. Referring to the next to last paragraph of telegram 686 to Ankara (repeated to Karachi as telegram 475), *supra*, it suggested that in view of the imminence of important decisions in Washington the Prime Minister should be advised of the substance of telegram 475 before his departure. (780.5/12–2953)

but prefer you not yet request his views. On basis that you see PM privately and that he understands and agrees fully with need for complete secrecy you may speak to him along following lines:

1. Turkish Government being informed we considering military aid program for Pakistan.
2. We believe it desirable minimize political repercussions (India and Afghanistan) and maximize Pakistan contribution area defense. One way do this would be to link US aid to initiation of mutual defense understanding between Turkey and Pakistan. Such an arrangement might be open-ended permitting addition of others if agreed to.
3. We are telling Turks we would be glad to know whether they are disposed to consider an arrangement with Pakistan seriously. Sort of agreement in mind would not envisage binding military alliance but rather a loose arrangement for consultation and joint defense planning. We would not become a partner but would assist members.
4. If PM asks whether this means we will not extend aid unless Turkey goes along you may say that this is not necesarily so but that you are sure the US will wish to look at the problem in light of Turkish reaction.
5. When final position reached we will of course wish to consult him further.
6. You may assure PM our awareness embarrassment because of delay and express regrets. Decision will be made soon as possible.
7. Please emphasize we are giving him this advance notice because he is leaving Karachi before we can expect Turk reaction. Would be embarrassing if Turks learned we had spoken to him at this time. You may assure him it is unlikely final US position will be reached before his return on the 12th.

FYI we are awaiting return of President and Admiral Radford to Washington and we hope to have matter taken up for early decision then.

Also FYI British Embassy informed substance Deptel 475 to Karachi and 686 to Ankara.[3]

DULLES

[3] *Supra.*

790D.5/1–554

Memorandum of Conversation, by the Secretary of State

TOP SECRET EYES ONLY [WASHINGTON,] January 5, 1954.

At a meeting today held with the President [1] by Secretary Wilson, Governor Stassen and myself, the President agreed in principle to proceeding with military aid to Pakistan, subject, however, to our capacity to present this in a reasonable way, which would allay the apprehensions of reasonable people that we were trying to help Pakistan against India. The idea was that we would emphasize (1) that

[1] Department of State files contain two different background memoranda for the President on military aid to Pakistan, both dated Jan. 4. There is no indication as to which one was sent to him before the Jan. 5 meeting. (790D.5/1–454 and 790D.5 MSP/1–454)

this was part of a regional security project being initiated by Turkey and Pakistan with other countries in the area for potential additions, and (2) that we would indicate to India that we would be prepared to extend military aid to India under the same type of agreement as was offered Pakistan.[2]

I presume that this statement would be one that would be issued publicly and embodied in a note that would be delivered to India.

After this is drafted, the matter will be taken up again with the President for his final decision.

It was felt unnecessary to take this back to the NSC in view of its decision in 155/1.[3]

---

[2] A memorandum by Byroade to the Secretary of State, dated Jan. 8, informed him that officers of the Department of State had been giving further thought to the problem of how to begin the proposed arms program to Pakistan. Attached to the memorandum were two papers dealing with the subject: a summary of the steps to be taken in putting the program into effect and a draft statement for the President to issue when Pakistan was informed that military aid would be extended. In addition, NEA was preparing a letter for the President to send to Indian Prime Minister Nehru immediately prior to the public announcement of arms aid to Pakistan. (790D.5 MSP/1–854)

A memorandum for the President on military aid to Pakistan, dated Feb. 16, by Deputy Under Secretary of State Robert Murphy, informed him that Pakistan would formally request grant military aid from the United States in the near future, and it had been agreed that the United States would immediately give a favorable response. Attached were drafts of a statement for the President to make regarding military aid to Pakistan and a personal message from the President to send to the Indian Prime Minister. A memorandum by Ann Whitman, Personal Secretary to the President, dated Feb. 16, stated that she was returning the documents, which had been approved by the President. (790D.5 MSP/2–1654) Regarding the President's letter to Indian Prime Minister Nehru, see telegrams 992 and 1005 to New Delhi, Feb. 18 and 20, and telegram 1342 from New Delhi, Feb. 24, pp. 1735 ff.

[3] For text, see the compilation on U.S. security policy in the Near and Middle East in volume IX.

INR–NIE files

Special Estimate [1]

TOP SECRET
SE–55 [2]

WASHINGTON, 15 January 1954.

THE PROBABLE REPERCUSSIONS OF A US DECISION TO GRANT OR DENY MILITARY AID TO PAKISTAN

THE PROBLEM

To estimate the repercussions, particularly in India and Pakistan, of (*a*) a US decision to grant a modest amount of military aid to Pakistan and (*b*) a US decision *not* to grant such aid.

---

[1] According to a note on the cover sheet, "The Intelligence Advisory Committee concurred in this estimate on 12 January 1954. The FBI abstained, the subject being outside of its jurisdiction. The following member organizations of the Intelligence Advisory Committee participated with the Central Intelligence Agency in the preparation of this estimate: The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff."

[2] This paper was later designated SNIE (Special National Intelligence Estimate) 50–54.

ASSUMPTIONS

1. That a military aid program for Pakistan would be of modest proportions and from a realistic military view point would not threaten India's present military preponderance in the subcontinent.

2. That the military aid agreement would not involve establishment of US military bases or a formal US–Pakistani mutual assistance commitment.

3. That the US would (*a*) make every effort to reassure India that aid to Pakistan was not directed against it; and (*b*) undertake to discourage Pakistani military aggression against Indian-held territory.

4. That a decision on military aid to Pakistan would not be announced before 23 January, when the Korean POW's will presumably be released from the custody of India in Korea, but would be announced shortly thereafter.

CONCLUSIONS

5. A US decision to extend military aid to Pakistan would have the following effects:

a. It would increase the Pakistan Government's prestige at home and tend to consolidate the government's present friendly relations with the US.

b. It would arouse grave concern and indignation in India and lead to increased tensions in the subcontinent. US efforts to mitigate these reactions are unlikely to have any significant effect.

c. It would lead to an intensification of existing differences in US–Indian relations and possibly to more friendly Indian relations with the Bloc, but would probably not lead to any major change in India's foreign policies.

d. Over the course of time the violence of Indian feeling would, in the absence of exacerbating circumstances, tend to subside. However, there is a danger that frictions and disagreements between the US and India might be aggravated as a result of continuing resentment. Such a development would make it easier for India to drift into an eventual position of isolation from Western friendship and support, in which it would be more susceptible to Communist pressures.

6. A US decision *not* to grant military aid to Pakistan would have the following effects:

a. It would mean a loss of US prestige, since India has protested violently against such aid and the USSR and Communist China have registered objections.

b. It would cause grave disappointment to the Pakistan Government, weaken the position of pro-Western moderate elements now in control, and possibly lead to cabinet changes even including the Prime Minister. It would probably not, however, result in the present ruling group losing control of the government. The Pakistan Government would feel strong resentment toward India, since Pakistani leaders would ascribe a negative US decision to Indian pressure.

c. The US would not bank any enduring credit with India, nor would there be any improvement in present Indian-Pakistani relationships. Moreover, Indian leaders might be encouraged to use pressure tactics against the US on other occasions.

7. The reactions of other governments to a US decision concerning military aid to Pakistan would probably not be such as to involve any major changes in present policies.

DISCUSSION

I. *Probable Repercussions of a US Decision to Extend Military Aid*

8. A US decision to grant military aid to Pakistan would be welcomed by the Pakistan Government, would bolster the government's prestige with the Pakistani public, and would tend to consolidate the government's friendly relations with the US. These effects might, however, be somewhat reduced by disappointment over the small amount of aid contemplated. The governments of Turkey, Ceylon, and Thailand have indicated that they would favor such a decision, and that of Iran would probably also approve. The UK has expressed certain anxieties but has indicated that it would go along with such a decision and is attempting to overcome India's fears and objections.

9. The USSR and Communist China have already protested to Pakistan against the granting of any US military aid. They would view such a US decision with concern, considering it as one more step in the US policy of "encirclement" and as a prelude to the establishment of US bases in Pakistan. However, we believe that they would confine their reaction to violent propaganda attacks on the US, efforts to exploit neutralist and anticolonial sentiments in the area, and attempts to cultivate closer relations with India.

10. Afghanistan has expressed its concern, but indications are that this is largely for public consumption. It has indicated that it too would like military aid, and no change in the traditional Afghan policy is likely to result from aid to Pakistan. Reactions of the Arab States would vary. The governments of Iraq and probably Saudi Arabia would approve. Egypt probably would feel slighted unless it received comparable military aid. Furthermore, it would feel that Pakistan would eventually be unable to support the Arabs on such issues as Palestine and Morocco. In none of the other countries of the Free World is the reaction of their present government likely to have any adverse effect on relations with the US or Pakistan, and in some cases the reaction is likely to be favorable.

11. The most significant reaction from the standpoint of US interests would be in India. India regards Pakistan as the country most immediately threatening India's interests and ambitions and believes that Pakistan's primary purpose in seeking US military assistance is to strengthen its position vis-à-vis India. India would, therefore, view

the granting of such assistance to Pakistan with grave concern and indignation. The Indian Government would consider the granting of military aid to Pakistan as the first in a series of steps leading to a significant increase in the military power of Pakistan and an unwelcome involvement of South Asia in the cold war. India would regard the US action as an opening wedge in the return of colonial powers to the area and as a challenge to India's concept of "a third area" of neutral nations in which India would exercise leadership. It would fear that initiation of US-Pakistan military cooperation would: (a) usher in a policy of even greater US "favoritism" toward Pakistan vis-à-vis India on such issues as Kashmir; (b) lead to a dangerous increase in Pakistan's military strength; and (c) sooner or later involve establishment of US bases in Pakistan.

12. US efforts to mitigate India's fear and resentment are unlikely to have any effect on Prime Minister Nehru or Indian opinion generally. Since the Indians object in principle to any military aid to Pakistan, they are unlikely to be much influenced by such measures as direct US reassurances to India, the exaction of non-aggression pledges from Pakistan, or the provision of the aid within the context of Pakistan defense arrangements with Turkey and other Middle East states. Over the course of time the violence of Indian feeling would, in the absence of exacerbating circumstances, tend to subside. However, Indian apprehension regarding a Pakistan military build-up and the establishment of US military bases in Pakistan would probably continue, and Indian resentment toward the whole concept of US-Pakistan military cooperation would almost certainly persist.

Effect on Indian Policies

13. India's resentment over a US military aid program for Pakistan would lead at least temporarily to a worsening of US-Indian relations. Indian leaders and the Indian press would be more critical of the US and of US policies. In its diplomatic activities, both in and out of the UN, India would probably be more disposed to undercut and embarrass the US. India would probably increase its efforts to develop a strong neutralist bloc in the UN and might be more difficult to deal with on Korea and other Far East issues. In addition it might curb US information activities and refuse to go ahead with negotiation of a Treaty of Friendship and Establishment. American activities in India, both official and private, would encounter increased difficulties with government officials and the general public.

14. India would tend to become confirmed in its attitude that the greatest immediate problem in South Asia comes, not from Communist imperialism, but from the "unreasonable" policies of the apparently military-minded West and Pakistan's identification with it; India might become convinced that its aims as an independent state are incompatible with those of the US. The possibility of eventual

cooperation between India and the US in establishing a common front against Communist pressures in Asia would become even more remote. There is also a danger that intensified frictions between the US and India, if allowed to persist, would make it easier for India to drift into an eventual position of isolation from Western friendship and support, in which it would be more susceptible to Communist internal and external pressures.

15. While India would probably be inclined to harass the US, it would almost certainly seek to avoid a clear-cut break with the US and its allies, to whom India looks for markets and for economic aid. Except possibly as a result of a cumulative series of frictions and disagreements, India would be unlikely to refuse US economic aid. However, there is a continuing possibility that India might be faced with possible loss of US aid through failure to comply with the Battle Act, and there is some slight chance that it might further risk loss of US aid by cutting off export of strategic materials to the US. Despite possible irritation over British failure to oppose US military aid to Pakistan, India would remain in the Commonwealth, at least for some time to come, if only to avoid further loss of influence there.

16. Resentment against the US would probably increase Indian interest in trade with the Communist Bloc and strengthen India's conciliatory attitude toward Communist China on such questions as Korea. However, it is extremely unlikely that India would make significant political concessions to the Communists, enter into arms agreements with them, or otherwise go further than it is now prepared to go toward associating itself with the Bloc. Such moves would strike at the very foundations of India's policy of non-involvement.

17. Thus, we do not believe that Indian resentment and increased US-Indian tensions would, by themselves, cause any major alteration of Indian foreign policies. As long as India continues to pursue its basic policy of independence and non-alignment in the cold war, it has little additional room for maneuver. Since India has already felt obliged to express itself on the numerous international issues on which it dissents from US policy, there is virtually no major act of reprisal India could undertake against the US without jeopardizing its own interests. This we believe the Indians would be unwilling to do.

Effects on Stability in the Subcontinent

18. India's reaction to a US decision to extend military aid to Pakistan would also lead to increased tensions in the subcontinent. Leadership elements in India are almost unanimous in opposing US military aid for Pakistan. Within India, agitation against the US decision would lead to an increase in popular bad feeling toward the US and Pakistan and to an increase, possibly of dangerous proportions, in Hindu-Moslem communal tension and in anti-Christian agitation. However, widespread violence is unlikely to break out un-

less the Indian Government makes a serious miscalculation in its efforts to demonstrate that it has public support. The Communists would, by associating themselves with the opposition to US military aid to Pakistan, have an opportunity to gain prestige and to pursue their united front tactics.

19. Existing strains in Indian-Pakistani official relations would once again be intensified. India would remain unwilling to accept any compromise on Kashmir, and its reluctance to cooperate with Pakistan on such other issues as that of joint development of the Punjab watershed would be reinforced. There might also be a new round of minor reprisals between the two countries, but we do not believe that increased tensions would lead to a deliberate resumption of hostilities.

II. *Probable Repercussions of a US Decision not to Extend Military Aid*

20. It is widely known that the US has been considering military aid to Pakistan. Since India has protested violently against such aid and the USSR and Communist China have registered objections, a US decision *not* to extend such aid would mean a loss of US prestige. It would be a grave disappointment to the Pakistan Government, which has almost certainly come to believe that the US is committed to giving it military assistance. Moreover, Pakistan's leaders would conclude that the US had decided that India's good will was more important than that of Pakistan and that it would be unwilling to offend India on other matters involving South Asia. These leaders might later try to reopen the aid question, but they would be bitter at what they would consider relegation to second-class status in South Asia and in the future would have less confidence in the US and possibly also the UK. The Pakistan Government would feel strong resentment toward India since Pakistani leaders would ascribe a negative US decision to Indian pressure. However, we believe that Pakistan would not abandon its fundamentally anti-Communist and pro-Western outlook.

21. Within Pakistan, the effect of the decision would be to weaken the position of the pro-Western moderate elements now in control. Failure to obtain military aid would deprive the Government of a major political asset and would expose it to more severe attack on other issues. A negative US decision would strengthen the reactionary religious elements which oppose close ties with the West and favor a more militant policy regarding Kashmir, and might lead to cabinet changes, including even the Prime Minister. However, the pro-Western moderate elements probably would not lose control of the government.

22. US denial of military aid to Pakistan would be looked on in India as a reluctant concession to India pressure. While it would remove a source of friction, the beneficial effect on US–Indian relations would probably be negligible. India would be pleased by the decision.

However, it is unlikely to be significantly more cooperative, and might actually be less so, regarding the various issues on which it now dissents from US policy. In fact, India would probably be encouraged to use similar pressure tactics against the US on other occasions. India's attitude toward a Kashmir settlement would not change and its reluctance to bargain with Pakistan on other issues would increase.

23. A negative decision with respect to military aid for Pakistan would probably encourage those Middle Eastern political elements which oppose close ties with the West. By the same token, a negative US decision would discourage political elements in the Middle East which are now inclined toward closer ties with the West, and the government of Ceylon, which apparently wishes to avoid Indian hegemony in South Asia. However, the reaction in most South Asian and Middle Eastern countries, in the longer run, would depend largely on the other aspects of US policy toward the area.

Editorial Note

Telegram 622 from Karachi, February 15, transmitted the Pakistani draft of its official request for military aid from the United States. Telegram 675 to Karachi, February 17, informed the Embassy the Department of State was pleased with the Pakistani draft request and did not ask for any changes in the text. The Department considered the text of the request a suitable basis for a public announcement, although it suggested that the text might be shortened for that purpose. Telegram 647 from Karachi, February 19, transmitted the text of the public announcement to be made by the Government of Pakistan requesting military aid. The telegrams are in Department of State file 790D.5 MSP.

On April 2, 1954, Turkey and Pakistan signed an Agreement for Friendly Cooperation, providing for consultation on international matters of mutual interest. The key security provisions of the agreement are listed in the footnote to paragraph 6*b* of NSC 5428, July 23, 1954, printed in volume IX. For the text of the agreement, see *Documents on International Affairs, 1954*, pages 185–186.

On May 19, the United States Chargé in Pakistan and the Foreign Minister of Pakistan signed a Mutual Defense Assistance Agreement in Karachi. An announcement in the Department of State *Bulletin*, May 31, 1954, pages 850–851, stated that the United States Government would provide military equipment and training assistance to Pakistan. It also noted that Pakistan's desire to play a part in the collective defense of the free world had been demonstrated by its recent agreement with Turkey. For additional documentation on this topic, see volume

IX. The text of the Mutual Defense Assistance Agreement of May 19, 1954 is printed in 5 UST 852.

Editorial Note

Telegrams 856 and 857 from Karachi, April 21, informed the Department of State that the Pakistani Cabinet had decided the country did not need the remaining wheat deliveries that had been authorized. In addition, the Government of Pakistan offered to provide the United States with the labor necessary to complete construction of a new chancery building for the United States Embassy in Karachi, to express gratitude for the emergency wheat aid. (890D.2311/4–2154) Telegram 937 to Karachi, May 3, transmitted the text of a statement by Acting Secretary Murphy accepting the offer of the Government of Pakistan. (890D.2311/5–354) A press release in the Department of State *Bulletin*, September 13, 1954, page 378, announced that the Government of the United States was at that time in a position to proceed with final plans for construction of the chancery.

790D.13/5–2954 : Telegram

The Chargé in Pakistan (Emmerson) to the Department of State [1]

SECRET NIACT KARACHI, May 29, 1954—11 a. m.

975. Dhahran for DLG. Prime Minister asked me to see him this morning. He said in view close relationships our two countries he was telling me in greatest confidence that decision had been taken impose Governor's rule East Pakistan. Governor would be Iskander Mirza who was summoned from London and who will leave for Dacca tomorrow. Mechanics of matter being worked out today. Announcement probably will be made tomorrow. Prime Minister stated first act of Governor would be to arrest known Communists. Although Fazlul Huq had asked for three months GOP, in view known Communists occupying positions his government, could not tolerate dangers increased Communist activity during succeeding three months. Danger was acutely realized when matter arose discussing anti-Communist measures or distributing documents to Cabinet and chief ministers through likelihood conference information reaching Moscow or Peking via Fazlul Huq.

Prime Minister stated intensified activity would proceed two fronts, psychological and economic. GOP plan establish two new radio stations

[1] This telegram was repeated to Dhahran.

East Bengal, step up informational program to high degree. On economic front Governor would see that people received cheap necessities of life, mainly food, cloth, kerosene, mustard oil and salt. GOP realizes essentiality winning over people and hope within one year parliamentary government could be restored.

Martial law would not be imposed at beginning and later only if absolutely necessary. General Mirza was good choice due previous connections Bengal which meant he was not regarded as "foreigner" by Bengalis. Prime Minister admitted loss to Central Government was serious.

General Mirza has confirmed departure tomorrow, states doctors London were angry his departure in middle treatment and warned against possible consequences. Stated, however, that phone call from Prime Minister had so emphasized critical nature situation General Mirza will "break his back" if necessary in East Bengal.

EMMERSON

611.90D/6–1754

Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian, and African Affairs (Byroade)

SECRET [WASHINGTON,] June 17, 1954.

Subject: Meeting with Sir Zafrulla Khan

Participants: Sir Zafrulla Khan, Pakistan Foreign Minister
The Secretary
Syed Amjad Ali, Ambassador of Pakistan
Mr. Henry A. Byroade—NEA

Sir Zafrulla Khan, Foreign Minister of Pakistan, called upon the Secretary Thursday, June 17th, for a general discussion.

There was an opening general discussion as to the status of the Indian and Pakistani discussions with the World Bank for a settlement of the Indus water dispute. The Secretary expressed his great desire that this matter be settled and Sir Zafrulla expressed some optimism that a solution might be found.

Turning to the Indochina problem, Sir Zafrulla expressed the interest of Pakistan in assuring that the right of self-determination of peoples be safeguarded, that any guarantee of peace must of course be by the Big Powers, and that there should be some specific time period in connection with any supervisory role the South Asian powers might take on. He expressed his support of the Thailand Resolution.

There was a short discussion upon Middle East defense matters. Sir Zafrulla stated he felt the objectives of Turkey and Pakistan were the same but that the Turks were somewhat suspicious of Pakistani inten-

tions as regarding Moslem religious identification with the endeavor. He concurred fully on the desirability of participation of Iraq and Iran at some later date.

Sir Zafrulla spoke briefly of difficulties in Pakistan due to the scarcity of high price consumer goods, particularly cloth. He felt they would be in a critical period for the next eighteen months and stated they would explore on a lower level whether the United States could be of further assistance in this matter.

The Secretary gave Sir Zafrulla a rather detailed explanation of our current thinking with regard to Indochina and the Geneva Conference. He dwelt upon the complexities of the problem and as to what the effect might be if the French Government decides to pull out and quit the fighting. The Secretary said in the viewpoint of some this would not be an unmixed evil because it is impossible to convince the local people on the question of self-determination as long as the French are there. The important thing would be for such a transition to be orderly and not catastrophic. It would have to be done in a manner so that the remaining area could be held and there be no automatic sweep of the Communists down through South East Asia. It should be possible to work out some means of collective security (which would include Laos and Cambodia and a part of Vietnam) that could be guaranteed by sufficient strength to allow a build-up of stronger governments behind the line. The role of France of course is very much in doubt at the moment.

The Secretary pointed out to Sir Zafrulla that the French had never asked us to actively enter the Indochina war on an international basis. They used the possibility of our entry for bargaining purposes only. He felt that the French saw merit in going it alone in that they could stop the war at any time they wanted. If it had become internationalized they would be in a position of negotiating with us and others on such matters. The Secretary pointed out there had never been a really clean-cut attitude of the French upon which to work. The independence issue had been kept fuzzy and the Communists therefore had hold of a real issue. The Secretary pointed out this type of issue did not exist, except to a certain extent in Malaya, elsewhere in South East Asia.

The Secretary expressed his personal view that there would be a cease-fire to let the French get out.

Sir Zafrulla was most appreciative of this outline by the Secretary. The Secretary indicated he might wish to talk further with Sir Zafrulla and the Ambassador after the Eden–Churchill visit.

790D.5 MSP/6–2254

Memorandum of Conversation, by the Officer in Charge, Economic Affairs, Office of South Asian Affairs (Fluker)

CONFIDENTIAL [WASHINGTON,] June 22, 1954.

Subject: Pakistan's Need for Additional United States Aid

Participants: Sir Zafrulla Khan, Pakistan Foreign Minister
The Honorable Amjad Ali, Ambassador of Pakistan
Governor Stassen, Foreign Operations Administrator
Mr. Norman Paul, Foreign Operations Administration
Mr. Donald Stoops, Foreign Operations Administration
SOA—Mr. Fluker

Sir Zafrulla and the Ambassador called upon Governor Stassen at their request.

Immediately upon taking his chair in Governor Stassen's office, Sir Zafrulla launched an animated and well-organized presentation of Pakistan's needs for additional U.S. aid. He stated that while he unfortunately seemed to have a request to make of the United States each time he came to Washington, it was Pakistan's belief that the "beggar's bowl" should never be concealed. He said that he and his country adhered to what he considered to be the European principle reflected in the story of the lady who wished to have her portrait done by a prominent portrait artist in Europe and who specified in advance that the artist's rendition must do her full justice. The artist in Sir Zafrulla's story replied, "Madam, what you need is not justice but mercy."

Sir Zafrulla lugubriously noted his Government's fault in not anticipating the difficulties in East Bengal. He cited the good fortune of Pakistan's present "constitution" which provided for Governor's rule and, therefore, permitted the dispatch of General Mirza to East Bengal. He stated that Mirza had managed to contain this most explosive situation and, during this period of the recent past, every twenty-four hours of such containment had been a gain for Pakistan. He said now that Mirza had accomplished this immediate task of damping the fuse on the bomb that was East Bengal, there remained the even greater task of development—which would require U.S. aid. Sir Zafrulla noted that Pakistan faced an acute shortage of foreign exchange which led to the need of U.S. aid in the amount of perhaps $100 million in the coming year, perhaps $70 million the following year and—in a low voice—perhaps dropping to $30 million in later years. Sir Zafrulla said that a special "council" within the Pakistan Government was working with the Embassy and the FOA Mission in Karachi in

analyzing the situation, and expressed the hope that a special analyst of top ability would be assigned to work on the problem in Washington, implying by a wave of the hand toward the Ambassador that the analyst might work with Amjad Ali. In passing, Sir Zafrulla commented that U.S. stocks of surplus commodities might be of use in helping Pakistan through this period of crisis.

Governor Stassen observed that we did not yet have our appropriations for the coming fiscal year; that the will of the Congress was therefore to be determined; that after the Congress had appropriated funds, an Executive Branch review of the priorities confronting the United States Government would have to be made, at which time the decision as to the U.S. ability to help Pakistan further would be considered. Mr. Stassen said that his staff was reviewing the situation in Pakistan, including consideration of any surplus commodity aspects involved. He added that this review combined with the one going on in Karachi would, subject to the policy recommendations of the Secretary of State, contribute to the final consideration by the Executive Branch.

In response to Governor Stassen's inquiry as to whether or not Pakistan still held some foreign exchange, Sir. Zafrulla and the Ambassador parried by noting that the difficulties on the foreign exchange earnings side made the situation very difficult for Pakistan.

Governor Stassen then indicated that the U.S. was prepared to extend technical assistance to Pakistan on civil aviation, for development not only of technicians but of Pakistani civil air management as well, Governor Stassen said that the matter of U.S. technical assistance was a GOP decision as to whether or not the GOP wished to request such assistance. He indicated that this was also the case with regard to the possible supply of equipment for the purpose of developing civil aviation within and between (and Governor Stassen emphasized the "within and between") East and West Pakistan. The Ambassador moved quickly to note that Pakistan was interested in this aid and was interested particularly in developing its civil air transport which now was proposed to link Dacca to Karachi and then on to London. Governor Stassen retorted that the primary (but not absolutely exclusive) purpose of U.S. aid on equipment was for strengthening of the internal system. Governor Stassen said that should the GOP request such aid, some U.S. aid in the form of a loan for the life of the equipment might be possible.

The Ambassador then picked up Sir Zafrulla's earlier reference to the GOP concern in East Bengal over the communist strength among the students there, and elaborated with first the implication and then the outright statement that West Bengalis had stimulated the riots in the jute and paper mills of East Bengal and were using the communists to disrupt the East Bengalese economy. The Ambassador

noted that this was a short-sighted policy which would do no more than strengthen the communists who would, in the final analysis, be as great a danger to India as they now are in East Pakistan.

Governor Stassen observed that any attempt to use the communists as a tool anywhere in the world was indeed a dangerous practice. He concluded the meeting by commending the GOP's good fortune and courage in observing the danger and taking prompt action in East Pakistan. Both Sir Zafrulla and the Ambassador seemed pleased with their talk with Governor Stassen and departed in good spirits.

611.90D/7–1054

The Ambassador in Pakistan (Hildreth) to the Department of State

SECRET
No. 14

KARACHI, July 10, 1954.

Subject: United States Policy Toward Pakistan

The present critical economic situation of Pakistan and the urgent appeal of the Government of Pakistan to the United States for quick additional economic assistance (Embassy telegrams No. 5, July 1 and Joint State–FOA telegram No. 19, July 7) [1] bring into immediate highlight considerations of basic American policy with respect to Pakistan.

A series of actions during the past year has increased the stake of the United States in Pakistan. The most important of these actions, in addition to a developing program of technical assistance and economic aid, have been the wheat gift, the pact between Turkey and Pakistan, and the mutual defense assistance agreement. This closer relationship between Pakistan and the United States, while openly aligning this government with the forces of the free world, has at the same time increased the expectations of the Government of Pakistan and produced a feeling akin to one of dependence on the United States. The developments in East Pakistan make this particularly true.

Foreign policy can be determined in advance and then implemented by studied, planned actions. It can also result from a series of actions whose significance in their sum total may not have been appraised and analyzed in advance. The Embassy believes that the present request for substantial sums of additional economic aid presents the opportunity and suggests the need for examination of the policy of the United States toward Pakistan in the sum total of its various aspects, intended objectives, and prospects for accomplishment.

One may start with the proposition that it is in the interest of the United States that Pakistan develop as a free nation, politically stable,

---

[1] Neither printed.

economically sound, anti-communist in ideology, capable of defense against aggression and of participation in the defense of the area. These ideas are generally either explicit or implicit in the military aid agreement which the United States and Pakistan have signed. The unanswered questions relate to the degree of importance which the United States may attach to these objectives, in the light of our world-wide commitments, and to judgments of Pakistan's abilities to attain these objectives. Out of the answers to these questions must come the decision as to what the United States investment in Pakistan should be.

The answer to the first question is beyond the competence of the Embassy. It involves policy and strategy toward the entire Middle East as well as South and Southeast Asia and an assessment of the importance of this area in relation to other parts of the world and to global strategy. The crux may be brought out in the question: Do we want to help Pakistan to develop sufficient strength to complement that of Turkey? If so, and if we believe in Pakistan's ability to so develop with help, then the magnitude of our future investment assumes some calculable shape. If not, we must adjust our investment to a more modest goal.

With respect to the second question, the Embassy can set forth its best judgments as of the present time. However, such judgments must be subject to continuing research and examination both in Pakistan and in Washington; subsequent facts, events, and conclusions may affect them materially.

Political factors. The political stability of the country was threatened by the events leading up to the imposition of Governor's rule in East Bengal. Law and order appear to have been restored and the vigorous and imaginative Governor, Major General Iskander Mirza, may be able to do much to improve conditions in the province. Nevertheless the question of what follows Governor's rule remains unanswered. The Muslim League is thoroughly discredited and shows few signs of rejuvenation while the United Front offers no hope. Some new political force with dynamic attraction is needed. None is on the horizon. In the meantime competent observers express the opinion that East Bengal is ripe for communism. Consequently the postponement of democratic processes with a longer continuation of Governor's rule than at first expected might in the end save the province. One should not forget that with the tide of communist advance in Southeast Asia, East Bengal might offer an attractive and little noticed target to the planners of the Asian Cominform.

The Embassy does not foresee a change in the Central Government of Pakistan. No reason is seen to change the opinion expressed in Embassy despatch No. 651 of April 10, 1954 [2] to the effect that the present

[2] Not printed.

"ruling group" would continue. This group is anti-communist, pro-American, is fully supported by the Pakistan military, and is powerful enough to maintain political stability within the country.

With respect to foreign affairs, relations with India appear to go along on a low plateau, with mutual recrimination continuous although probably more strident on the Pakistan side. The Kashmir question is momentarily quiescent although its return to the Security Council will fan the flames of Pakistani irritation and frustration. The canal waters question is more explosive with its psychological "life or death" connotation and at present is undoubtedly the most dangerous issue between India and Pakistan.

The Prime Minister's visit to Turkey was highly successful and one would hope that as Pakistan's relations with Turkey tighten and as Pakistan comes to be seen as playing an important role in Middle Eastern affairs, obsessions over India will diminish. It would be too much, however, to expect such a development soon. Some participation by Pakistan in a Southeast Asia defense organization, even though the contribution were [*was*] a token one, would enhance Pakistan's international prestige and consequently help also to soften the jealous bitterness felt for India.

To sum up: in spite of East Bengal, provincialism, constitutional difficulties, Muslim League incompetence, political immaturity, and vexing international problems, the Embassy believes that political stability can be maintained by the present ruling group. An economic crisis will of course seriously affect this stability and therefore economic and political factors cannot be divorced from each other.

Economic factors. The Embassy has in its reports described to the Department the developing economic situation as deduced from facts available to the Embassy and from statements made by officials of the Government of Pakistan. The Embassy has expressed its conviction of the seriousness of a situation created by a widening gap between the financial capacity of the Government and its essential requirements for minimum consumer demands (Embtel 5, July 1). Pending the receipt of additional data and further study of the situation, one cannot yet estimate the quantity and nature of assistance needed to fill this gap. Neither is it yet possible to estimate the degree to which the present crisis is a temporary emergency or a continuing deficiency.

Pakistan's basic economy suffers from its dependence on two cash crops, jute and cotton, from its lack of self-sufficiency in consumers' goods, and from its lack of basic industrial raw materials. The Finance Minister has stated that Pakistan will be self-sufficient in textiles within a year and that many other consumers' items, now imported, will be available from indigenous production. This appears at the moment to be somewhat over-optimistic. The discovery of natural gas in the country is an economic asset of great importance. Should oil exploration

now being undertaken be successful, the economic benefit to the country would be of major importance. Given reasonable expectations of crops, production, and markets, Pakistan's economy should survive and gradually improve. Immediate needs are certain. How they can be met and how assistance will affect the future economy of the country must be the subject of the most careful study.

Nevertheless, the emergence of the present economic crisis points up underlying weaknesses that will endure for some time. To the degree that urgent economic problems exist both political and military stability is lessened. It would appear now that the probable cost to the United States of meeting the minimum needs arising out of this situation and from the probable necessity of economic aid in support of direct military assistance is of an order of magnitude well in excess of present levels of United States aid. This probable cost must be considered in conjunction with the basic decisions as to Pakistan's place in United States policy plans for Asia, referred to elsewhere.

Military factors. Signing the military aid agreement has placed Pakistan and the United States in a position of military partnership, or so at least this event is interpreted by Pakistan. Once the high hopes of Pakistan's commanders-in-chief for a two-billion dollar commitment by the United States had been dashed in the initial discussions with the Military Survey Team, General Ayub and his associates have looked to the senior partner, the United States, for guidance and instructions. Now that they have signed the contract, they ask to be assigned a role. They express impatience and frustration that the United States has not outlined to the Pakistan military its strategic concept for the area in which the Pakistan armed forces are to play a part.

In the meantime, several developments have taken place. The Prime Minister has stated that he took the line in Turkey that the two countries should make joint plans which would be submitted to the United States (Embassy telegram No. 18).[3] The Pakistanis would then say to the United States: "If you give us this much, we can do so-and-so; if you give us some other amount, we can do something else." The United Kingdom has invited representatives of the Pakistani armed forces to discuss Middle East defense problems in London; General Ayub leaves for the U.K. in August. We have expressed the hope that conclusions will be tentative, so that these can fit into later discussions which may take place between the United States and the United Kingdom and Pakistan (Department's telegram No. 1138).[3]

In making the final decision as to how far the United States is prepared to underwrite Pakistan, the political, economic, and military factors must be considered together. Each is of great importance and each is inextricably linked with the other two. Previous decisions to assist Pakistan, whether by wheat, techniques, or arms, have been

[3] Not printed.

predicated on a belief in the survival of Pakistan and in its potential development as a firm member of the free world. (Probably, the decision to give military aid was both hastened and influenced by the public statements of Mr. Nehru which made a refusal difficult for self-respecting sovereign nations.) The Embassy sees no reason to alter this judgment. It does, however, urge that as by each step we become more involved with the destinies of Pakistan, we analyze our objectives and our possible ultimate goals. We furthermore believe that if we increase our investment in Pakistan substantially we would be justified in putting more pressure on the GOP to be more realistic in their own economic thinking and action. In order to become too strong too quickly, Pakistan is trying to move too fast and present us with the bill therefor. On the other hand, the present strongly pro-American administration puts great pressure on us for immediate economic help in order to protect its political prestige. In view of the lack of any signs of other political leaders, or knowledge of their sympathies if they should appear, the prestige of the current administration is a real asset to the best interests of the United States Government.

In raising the basic questions discussed in this despatch, the Embassy is fully aware that they cannot be answered quickly. In fact, time and experience may be necessary before even tentative answers can be formulated. Nevertheless for the long pull it is believed that the importance of the questions is sufficient for them to be considered by the Policy Planning Staff and finally by the National Security Council.

Insofar as it is possible, the United States should be able to envisage what is to be expected of Pakistan. The Embassy believes Pakistan to be a tolerable risk. However, we believe our investment should be scrutinized with unrelenting care. Prospects of returns must be compared with those expected from India and from Pakistan's Middle Eastern neighbors. American influence in Pakistan is increasing through decisions already taken. With influence comes responsibility. As we prepare to assist Pakistan to meet a critical economic emergency—and the Embassy recommends that we do give some assistance—let us carefully appraise what we can and should do in Pakistan over a several-year period.

H. HILDRETH

611.90D/7–1654

The Ambassador in Pakistan (Hildreth) to the Department of State

SECRET

KARACHI, July 16, 1954.

No. 33

Subject: Conversation with General Ayub Khan, Commander-in-Chief, Pakistan Army on July 15, 1954

General Ayub called on me at my residence yesterday afternoon at his request. Despite rumbles I had heard that he was nettled and ir-

ritated with the United States for our failure to answer the question he has been asking ever since General Meyers was here, namely, "What do you expect of us; how do we fit in your over-all military planning?", I found General Ayub in a very pleasant mood. He seemed quite cognizant of the great difficulties our Defense Department faced on account of its world-wide problems and seemed to understand the reason for the delay in answering his questions. He said he was glad that General Mirza had not gone to the United States at the end of May and in fact claimed some credit for his not going. He claimed that he realized Mirza could get no satisfactory answers from our Department of Defense as of the end of last May and the best thing now was for Pakistan not to fret but let the United States make its decisions and then if the decisions were not satisfactory that would be the proper time for Pakistan to send a military man to Washington to present its arguments for different decisions.

General Ayub is pleased that we now have definite word that General Sexton will be here August 4. Ayub was booked to attend United Kingdom Commonwealth staff meetings in London about the middle of August and he felt it very important that he be among the first to see General Sexton and preferably before he went to the staff conferences in London.

I told General Ayub that when the Prime Minister and the Finance Minister presented their urgent economic plea the other day I had said at the end of the conference, "Well, it is a cinch, Mr. Finance Minister, that we are not going to be able to make both you and General Ayub happy". General Ayub laughed heartily at this and admitted that the economic problems were very great and pressing.

General Ayub voiced the thought that the U.K. was trying to isolate the influence of the United States in the whole area and that Pakistan was being chastised for its lining up with the United States. From a military point of view he put importance on Iran, saying it was the key to the Middle East area and felt that Iran would be influenced in its decision whether to join the so-called northern tier in direct proportion to the extent it saw Pakistan become strong because of its alliance with Turkey and the United States. I make no attempt to appraise this feeling he attributes to officials in Iran. He did not see how Iran would be bold enough to stand up to Russia unless it had a strong ally on its East as well as its West in order to help defend it against Russia in case real trouble came. General Ayub prophesied that it would be necessary to keep military rule in effect in East Pakistan for a considerable length of time. He is apparently pleased with what he hears about General Sexton and is looking forward to working with him.

H. A. Hildreth

790D.5 MSP/7–2354

The Secretary of State to the Director, Foreign Operations Administration (Stassen)[1]

SECRET

[WASHINGTON,] July 23, 1954.

DEAR HAROLD: Pakistan's grave political and economic difficulties have been crystallized by events following upon the recent Provincial Assembly elections in East Bengal. In our opinion these difficulties threaten the stability of all Pakistan and the continuance of the present strongly pro-American Government of Pakistan. United States security interests are directly involved because of Pakistan's importance to the resistance to communist aggression in the Middle East and Asia in general.

While the threat to Pakistan's stability is a complex of many political and economic factors, certain immediate economic measures by the United States would serve to ease the pressing problem and to give the time necessary to attack other problems. Pakistan has requested specific commodity assistance from the United States. As you know, Pakistan is confronted with a very serious foreign exchange shortage despite its past drastic curtailment of imports and the resultant shortage of consumer goods. Even under optimistic assumptions Pakistan does not have sufficient gold and foreign exchange to meet its requirement for currency backing and a safe balance for working capital. Pakistan's foreign exchange earnings prospects do not give promise of remedying the situation in the near future. Additional imports of goods in Pakistan are needed soon in order to counter the threat to political stability. This is difficult if not impossible without rapid aid from the United States.

The need for rapid United States action is emphasized by the fact that General Mirza, who has been made Governor of East Pakistan as a temporary emergency measure by the Central Government, is reported to be suffering from an illness which will require attention abroad within the next three months. It would be difficult for Pakistan to find another person of his capabilities to replace him in this emergency.

All signs point to the probability that Pakistan will need over the next three years additional assistance of the type which has been requested by the Government of Pakistan. We believe that your recommendation on sending a mission to Pakistan to study the economic situation and make recommendations on United States action, is an excellent one. The mission could consider the total need for additional assistance, including the short and long run requirements to maintain

[1] This letter was drafted by Fluker on July 13 and cleared by Byroade. According to a handwritten note in the margin, it was delivered on July 24.

economic stability in Pakistan, and other needs such as those connected with our military aid.[2]

In the meantime, however, we are of the opinion that emergency United States commodity aid should be started so as to give some insurance against the immediate political risks inherent in the present situation in Pakistan. I hope that plans for immediate agricultural commodity aid to Pakistan may be initiated so that shipments may begin as soon as possible.

Also, we shall urge the Government of Pakistan to consider the use of its IMF drawing privileges for immediate procurement of necessary industrial raw materials.

It is our belief that the longer-range need for basic economic development in Pakistan indicates the desirability of keeping our current type of developmental aid program going in Pakistan, with minimum diversion of funds from it to meet the present crisis.

There is enclosed a brief study of the situation in Pakistan, which may be of interest to you and your staff.[3]

Sincerely yours, JOHN FOSTER DULLES

[2] Regarding this mission, see footnote 2, p. 1871.
[3] Not printed.

790D.5 MSP/7–2754

Memorandum of Conversation, by the Acting Officer in Charge, Pakistan–Afghanistan Affairs (Metcalf)

CONFIDENTIAL [WASHINGTON,] July 27, 1954.[1]

Subject: Status of Military Aid Program for Pakistan

Participants: Mr. D. J. C. Crawley, First Secretary of British Embassy
SOA—Mr. Smith
NEA—Mr. Anschuetz
SOA—Mr. Metcalf

At his request, Mr. Crawley called to inform himself on the status of the MAP for Pakistan. He expressed particular interest in learning what he could about the categories of matériel to be furnished under the program, with special regard to offshore procurement possibilities affecting the UK. Mr. Anschuetz said that the observations that he would make must be regarded as provisional, since final decisions in many cases have not yet been taken. With that qualification he told Mr. Crawley that the army component of the program, which was the largest one, consisted largely of tanks, vehicles, artillery, light arms, electronic equipment and various categories of ammunition, supplies and maintenance materials. The air force component consisted

[1] This memorandum of conversation was prepared on July 30.

of some jet planes and ancillary maintenance equipment and supplies. The navy component consisted mainly of a minesweeper, ship repair facilities and naval stores.

Mr. Anschuetz said that it is the Pentagon's programming procedure to determine first the total requirements of a given recipient, and then to analyze the requirements with a view to establishing those items that most feasibly could be supplied from the U.S. and those that could be purchased offshore. The desirability of maintaining habitual sources of supply to the extent possible in light of all the circumstances is very much in the minds of the Pentagon authorities. With reference to the Pakistan program it is our present thinking that the tanks and aircraft would come from American sources, that certain electronic equipment and a substantial part of the naval items would come from UK sources, and that the source of other items was still under study. Mr. Anschuetz pointed out that more positive information would probably be made available at an early scheduled meeting between Pentagon authorities and an appropriate British military officer in Washington.

Mr. Crawley observed that his people would be sad to learn about the supply source of aircraft; also the UK had offered to supply the Pakistanis on previous occasions with Centurion tanks. Regarding tanks, Mr. Anschuetz reminded Mr. Crawley that Pakistan has purchased over 300 American Sherman tanks in this country and that maintenance and replacement problems dictate the continued reliance on the present source. As for aircraft, Mr. Anschuetz made two observations. First, the Pakistanis have indicated an express preference for American jets, an expression which has affected our thinking in the matter. Secondly, since virtually all Pakistan air force planes are or will shortly be obsolescent the advantages of retaining present sources of supply for logistical reasons do not exist.

Mr. Crawley acknowledged appreciation of these considerations.

790D.5 MSP/8–654

Memorandum of Conversation, by the Deputy Director, Office of South Asian Affairs (Smith)

SECRET

[WASHINGTON,] August 6, 1954.

Subject: U.S. Military Assistance to Pakistan

Participants: Pakistan Ambassador Amjad Ali
NEA—Mr. Jernegan
SOA—Mr. Smith

The meeting was arranged at the Ambassador's request following an invitation to him to come to the Department for a briefing by Assistant

Secretary Merchant on our present thinking with regard to an SEA collective defense arrangement.

The Ambassador said that he had just received a telegram from Karachi which left him feeling depressed. General Ayub had just had his first conversation with General Sexton, the Chief of our MAAG in Karachi, and General Ayub was "dejected" and "broken hearted". Ayub had communicated with the Prime Minister to the effect that if Pakistan was to get no more from us than General Sexton had indicated in the nature of military assistance, it would be better for Pakistan not to be involved in a defense arrangement with the United States. Mr. Jernegan asked the Ambassador to explain Ayub's specific problems. The Ambassador said that he did not know, that he had received no further information than what he had just stated. He said that he wanted to see both the Secretary and the Under Secretary to register Pakistan's disappointment. Mr. Jernegan stated that purely as regarded procedure, only that morning the Secretary had expressed his strong objections to any Ambassador seeing both himself and the Under Secretary on the same subject. Mr. Jernegan continued that General Ayub's disappointment probably had its basis in a misunderstanding of the fiscal arrangements for providing military assistance to Pakistan. Expenditures in the present fiscal year were being made on the basis of funds appropriated in the previous fiscal year. No funds had been appropriated for fiscal year 1955 because the funds from the previous year were still unexpended. We think of the military assistance program as a continuing one and not one limited to just one year, and we anticipate that the Congress will provide funds for fiscal 1956 when the time comes to make such provision. Mr. Jernegan felt that the Ambassador was unduly disturbed and suggested to him that it would be better to get fuller details from General Ayub before the Ambassador proceeded to see either the Secretary or the Under Secretary.

790D.5 MSP/8–954 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State

SECRET KARACHI, August 9, 1954—5 p. m.

147. MAAG Chief Sexton returned Karachi August 5 after several days discussions General Ayub, Rawalpindi. Ayub position as follows:

Pakistan army at present reduced force level has adequate equipment all units regimental (United States battalion) level and lower. (About 40,000 troops discharged in economy move last year). Because entire Pakistan force deployed Indian, Afghan frontiers and East Pakistan performing essential patrol and internal security functions, for which present numbers inadequate, not possible deactivate any existing units in order create spaces for personnel who would handle

new equipment. Absorption this equipment possible only by raising existing force level, but since this would involve additional expenditures, impossible under frozen budget. Ayub claimed he had made this point emphatically to military survey team. With General Sexton he sought appointment with Heinz mission, Karachi, presumably to press his case for aid for direct forces support, but desisted after receipt not overly encouraging reply from Heinz.

General Sexton reports that Ayub convinced him validity of strictly military judgments included his position, i.e., that present units could not absorb programmed equipment and that assuming necessity for present deployment of forces, impossible create spaces by deactivating units. No similar problem navy and air.

Accompanied by General Sexton, laid problem before Finance Minister August 6, emphasizing United States had made no provision direct support Pakistan forces and in general does not sanction such policy. However, fact that Turkey exception rule well known here and since they consider themselves "another Turkey" citation of general principle subject to this exception not particularly telling argument.

With respect immediate problem of utilizing programmed equipment Finance Minister showed some skepticism of Ayub position of which he made careful notes on basis Sexton's presentation. He said first thing would be determine exactly and officially what position is, and this he undertook to do, making clear that final formulation would probably have to wait Prime Minister's return from Haj. Agreed this formulation would include number and size of units (if any) which would have to be activated, local currency and foreign exchange costs first year and subsequent years involved in absorption of equipment.

(Since this conversation Pakistan army has furnished General Sexton with preliminary estimate additional forces required and expense involved. Chief units to be activated would be two divisional reconnaissance regiments, three field battalions artillery, one headquarters for divisional artillery. Miscellaneous small units bring total additional manpower requirements to about 1900. Initial cost, including POL, personal clothing and rations estimated about $1,200,000; annual recurring costs, including pay, allowances, transportation, rations, et cetera estimated about $4,500,000. These figures exclude any additional equipment and stores which would be required along with United States programmed items, as well as recurring costs maintaining these items after depletion spares and reserve stocks initially provided by United States.)

Foreign Minister showed clear grasp of budgetary problems United States aid will create for Pakistan regardless whether additional forces to be raised. He inquired as to possibility that portion of existing GOP

military equipment import program now involving annual expenditures $75 million in foreign exchange might be appropriately included in United States program. Finance Minister undertook supply list these purchases and General Sexton agreed study question. Not discussed was possibility that rupee costs of activation might be met from counterpart generated by any additional commodity assistance which might be supplied by United States.

Passing from specific problem to general principles, Finance Minister emphasized following points: (1) Current military expenditures running 800 million rupees per annum, including $75 million foreign exchange component, was absolute maximum which Pakistan economy could support; (2) so long as current tension with India and Afghan continued, was impossible effect reduction in existing forces which were fully deployed and actively occupied in patrolling and internal security activities; (3) on basis general United States policy confining military assistance to equipment and training, such assistance would inevitably involve steadily mounting expenditures by GOP, and that greater the aid, greater the costs to Pakistan; (4) unless United States prepared treat Pakistan like Turkey, with liberal defense support and direct contribution to support of forces, doubtful that Pakistan could afford accept United States military assistance at all, and certainly not above very low level; (5) would be impossible make Pakistan public understand these facts and if United States aid held to mere trickle effect on position of present regime which had committed Pakistan to western camp would be very adverse.

Minister went on to say that Pakistan had thought what United States really had in mind was filling gap between Turkey and Pakistan with Pakistanis making significant contribution. Said recent developments suggested United States seeking in every way possible strengthen defense potential SEA. Pakistanis thought they definitely had contribution make ME and he implied they might also contribute SEA but these contributions could only be made if Pakistan strengthened. He felt Government entitled to clarification United States intentions, if they had been basing plans on false assumptions, sooner these assumptions corrected better.

Embassy officer pointed out there were real problems on United States side as well: there had been only moderate enthusiasm for program in some quarters in Washington and those who had agreed to "military assistance" as term commonly understood United States might have real doubts as to wisdom or ability of United States undertaking ambitious program of character which Finance Minister suggested. Finance Minister said he quite understood that Washington might have such doubts but this underlined necessity for general clarification of situation and determination of agreed goals and mutual

responsibilities before matter allowed drift further on basis divergent assumptions certain to increase difficulties as time passes.

Informed by General Sexton and service attachés that Pakistan military officials very emphatically making same point in somewhat different terms. They state impossible for them continue from year to year on completely *ad hoc* basis without any indication of what role Pakistan to be assigned in eventual plans for areas defense, and consequently measures which should be set in train in order permit forces eventually perform this role.

So far as immediate problem this year's program concerned, appears to be of manageable proportions and possible solution might be provided by (*a*) including part of present $75 million Pakistan military import program in military aid program, thereby freeing resources for forces support or (*b*) earmarking counterpart from any additional economic aid provided for present emergency or even (*c*) by Pakistan action military budget ceiling. View relatively limited funds involved this last should be possible without adding appreciably inflationary pressures. However, Pakistanis certain to resist, as firm maintenance proposition they unable add in any way to present military expenditures seems essential element their bargaining position.

Question of whether United States will take additional measures including defense support and direct forces support needed permit realization of four-division objective Sexton reports has JCS approval fundamental issue, which in Embassy view cannot be indefinitely deferred. Embassy convinced general validity Pakistan position as outlined above: i.e., they unable significantly increase military expenditures, whereas United States military aid in quantity sufficient meet what Embassy considers minimum requirements from political point view certain to involve such expenditures. Possibly some savings may be excepted by deactivating certain existing units, though assuming continuation present internal political situation and strained relation with India and Afghan this not promising. See no escape from conclusion that if military aid to be effective United States will have supply Pakistanis same general type supporting assistance Turkey has received.

Embassy hopes Heinz mission report will facilitate consideration qualitative aspects this problem and that long-range policy can be sufficiently clarified permit provision in executive budget for fiscal year 1956. Pakistanis can wait while longer but Embassy believes sooner clarification forthcoming better for United States–Pakistan relations and for success whatever long-range program it is decided support.

HILDRETH

790D.5 MSP/8–1754 : Telegram

The Ambassador in Pakistan (Hildreth) to the Department of State

SECRET KARACHI, August 17, 1954—2 p. m.

182. Reference Embtel 183.[1] Acting Foreign Secretary expressed to Counselor with considerable emphasis some dissatisfaction, disappointment military aid program already reported originating Ayub and which Prime Minister, Finance Minister and others have repeated in recent weeks. Hilaly emphasized foreign policy aspects pointing out implied increased Pakistan commitments through attitude SEATO and energetic activities Governor General and Prime Minister in trying persuade Arabs, ME countries, and Ceylon come along with West. Argument went that if military aid program became known as "mere token", effect on other countries would contradict Pakistan efforts and disillusionment within Pakistan would threaten present government which had staked future on this bold decisive step. Hilaly was given presentation of factors which United States must consider and urged be patient while program being developed. Embassy feels much to be said for GOP viewpoint they always overstate their virtues.

Secretary stated Foreign Minister would attend Baguio meeting, also working group session beginning September 2. Hilaly stated GOP handicapped due ignorance previous staff talks and working group discussions SEATO,[2] thus felt completely unprepared for conference. He stated GOP would find difficult make decisions on basis few days meeting asked whether Embassy could not give some advice to Foreign Minister before latter's departure.

Realizing great advantage both Ceylon and Pakistan attending conference (Deptel 135)[3] Embassy assumes Pakistan attendance and affiliation SEATO still desirable United States point of view even if Ceylon absent. Pakistanis are convinced United States wants them to go in.

Embassy would appreciate guidance in belief it highly important give GOP benefit United States thinking on role they should play.

---

[1] Aug. 17; not printed. It reported that the Prime Minister, Finance Minister, and other Pakistan officials were disturbed about the matter of military aid. (790D.5 MSP/8–1754)

[2] Representatives of Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom, and the United States met in Manila in September and signed the Southeast Asia Collective Defense Treaty. For documentation on this topic, see volume XII. The text of the Secretary of State's statements at the Conference is in the Department of State *Bulletin*, Sept. 20, 1954, p. 391. On Sept. 15, after he returned home, the Secretary delivered a nationwide address over radio and television. The text of that address is *ibid.*, Sept. 27, 1954, pp. 431–433.

[3] Not printed.

Although we have deferred to UK in past on this subject believe GOP will expect and should be given further guidance before Zafrulla leaves for Baguio.

HILDRETH

790D.5 MSP/8–1754 : Telegram

The Secretary of State to the Embassy in Pakistan [1]

SECRET WASHINGTON, August 20, 1954—8:23 p. m.

227. Embtels 147 [2] and 183.[3] Following Embassy reports discontent on part Pakistan officials as to magnitude and nature US military assistance, Department convinced that in interest healthy US Pakistan relations exaggerated expectations of certain Pakistan officials which have been self-stimulated and publicized without any US encouragement should be replaced by clearer understanding objectives and capabilities US and Pakistan's own responsibilities.[4]

Development and maintenance effective military machine, costs of which Pakistan could pay from own resources and at same time provide for minimum civilian requirements, will require growth over period of years of well balanced expanding economy.

It is not within US financial capabilities create such an economy by massive financial donations. It must be built by Pakistan's people and leaders as product largely their own efforts. Our willingness support those efforts has been amply demonstrated and our aid was extended on large scale even before Mutual Defense Assistance Agreement with Pakistan signed. Presently we are attempting render some assistance following flood disaster East Pakistan. We have rendered considerable grant and technical assistance and are hopeful continuing it in some form in future. Pakistan's official expressions of gratitude have been so full and so sincere we are embarrassed to cite these instances of our aid but even so we feel there should be no misconception in Pakistani minds to effect US assistance is without cost or effort to our people, our resources are unlimited and we are without accountability to Congress or American public.

Our resources and capabilities being not unlimited we must expend them on a priority basis. Turkey for example received priority because

---

[1] This telegram was drafted by Smith and Metcalf (SOA) and Anscheutz (NEA); and cleared in the offices of Jernegan (NEA), Stoops (FOA), S/MSA, and Defense.

[2] Dated Aug. 9, p. 1860.

[3] Not printed, but see footnote 1, *supra*.

[4] This telegram was sent after a State–Joint Chiefs of Staff meeting, held on the morning of Aug. 20. Admiral Radford expressed concern over the fact that the Pakistan Government had received an erroneous impression concerning the nature and amount of military aid to be received from the United States and said it was important to get the matter straightened out. Jernegan, who was not present, was informed of the substance of the discussion concerning Pakistan. (Substance of discussion of State–JCS meeting of Friday, Aug. 20, 1954; State–JCS meeting files, lot 61 D 417)

it was vigorous self-reliant ally, geographically adjoining Soviet Union, under direct and immediate threat and prepared take its stand and defend its territory regardless whether it received US assistance. Even so our program developed over period of years and on basis effective utilization by Turkey of aid already extended by us. With Pakistan as in case Turkey we would think in terms of systematic program.

Pakistan officials concede even Phase One Pakistan program could not be carried out because of adverse economic conditions. In other words Pakistan military establishment still remains substantially short of its limited Phase One goal.

Implicit in US–Pakistan military aid agreement is US desire for Pakistan eventually attain that degree military strength supported by sound economic base which will enable it play effective role Middle East defense.

Nevertheless in our view present deficiency must be overcome before consideration can be given more ambitious programming. More specifically it is our plan that as phase one Pakistan Army should be adequately armed at approximately its present numerical strength. This objective alone will require considerable dollar and foreign exchange outlay and maintenance rupee expenditure at approximately current level. It was one of General Meyers' recommendations that survey be made to determine economic and defense support requirements necessary effectuate desired military program. Heinz Mission was instructed determine and evaluate those requirements. Subject revision under changing circumstances and light other available information Heinz report will be important element in our planning.

During initial phase it will be possible develop, through continuing consultation and in light evolving international political and strategic considerations, clearer pictures long term military economic requirements needed permit Pakistan plan constructive role area defense. We are pleased note both Pakistan military and civil authorities appreciate importance long term planning re personnel and budgetary considerations. We believe our intention initially confine ourselves at this time phase one will not in any way prejudice but rather contribute to orderly approach to problem.

US cannot express itself more concretely now (in terms estimated dollar figures, troop strengths, area defense plans, etc.) than is set forth above.

Purpose this telegram is provide guidance for you and Sexton in upcoming talks on this problem. Meanwhile as Embassy recognizes immediate job at hand is lay necessary groundwork for ready incorporation into existing forces of initial flow end items. We are most surprised by allegation Pakistan not able divert that number troops from present deployment to make use those items and would appreciate clearer ex-

planation as well as statement whether this official position of GOP. Pakistani leaders undoubtedly recognize that assessment first year this program will affect attitude Congress 1956 appropriations.

DULLES

Editorial Note

On August 23, 1954, in Washington, representatives of the Governments of the United States and Pakistan signed an agreement extending emergency assistance by the United States to help relieve the effects of a flood disaster in East Pakistan. (Press release, Department of State *Bulletin*, September 6, 1954, page 338) The text of the agreement for Emergency Flood Relief Assistance is printed in 5 UST (pt. 2) 1779.

Eisenhower Library, Eisenhower papers, Whitman file

Memorandum by the Acting Secretary of State to the President

SECRET

[WASHINGTON,] October 15, 1954.

Subject: Your Conversation With Prime Minister Mohammed Ali of Pakistan.[1]

When Mohammed Ali sees you he already will have had conversations with top State, Defense and FOA officials [2] regarding economic and mutual security assistance programs. He already will have received as complete explanations as we can presently give him. He may, however, refer to those programs. We have promised the Pakistanis about $30,000,000 in military assistance for fiscal year 1955 to strengthen Pakistan's existing forces. Eventually we hope Pakistan will be enabled to play an important role in Middle East area defense. We cannot say more now since our own plans are still in process of formulation.

Pakistan is facing an acute economic crisis subsequent to a sharp drop in foreign exchange earnings from its two principal exports, cotton and jute. Severe shortages of consumer goods, and of industrial raw materials and spare parts for Pakistan's infant industries have resulted. A special FOA mission led by Mr. H. J. Heinz went to Pakistan in August and in its report recommended emergency aid for Pakistan. At a meeting in my office on Thursday the Pakistanis were informed of our decision to make available to them about $75,000,000 in special commodity assistance, part of which will be in the form of loans, a sum in addition to $25,000,000 they will receive in technical

---

[1] Prime Minister Mohammed Ali arrived in Washington on Oct. 14 for discussions with U.S. officials on economic and military matters. (Department of State *Bulletin*, Oct. 25, 1954, p. 606)

[2] No memoranda of these conversations, nor of the one with the President on Oct. 15, have been found.

and developmental economic aid. We recently also took steps to provide Pakistan with $5,000,000 of emergency flood relief. Mohammed Ali will meet with Governor Stassen Monday morning at which time questions regarding our economic aid program might more properly be raised.

Within Pakistan there have been signs recently of possible shifts in political power. Mohammed Ali probably faces a considerable political task on his return to Pakistan in conciliating the rebellious members of his own party, the Muslim League, and in maintaining his political strength. Since he has taken a consistently friendly and cooperative line towards this country, we hope he will succeed. You might express to him our admiration for the leadership he has shown.

The Prime Minister will be accompanied by Ambassador Amjad Ali of Pakistan, Assistant Secretary Byroade and Ambassador Horace Hildreth.

HERBERT HOOVER, JR.

Secretary's Memoranda of Conversation, lot 64 D 199

Memorandum of Conversation, by the Acting Officer in Charge of Pakistan–Afghanistan Affairs (Thacher)[1]

SECRET WASHINGTON, October 18, 1954.

Subject: Pakistan's Role in the Free World

Participants: The Secretary
Prime Minister Mohammed Ali of Pakistan
Ambassador Amjad Ali of Pakistan
NEA—Mr. Byroade
SOA—Mr. Thacher

The Secretary explained that with regard to the Manila Treaty we had made it clear at the outset that we could not say, nor could we ask the U.S. Senate to accept the concept, that any dispute in the area would be considered a threat to the peace and security of the U.S. For example, a dispute between Burma and Thailand would not affect our peace and security since it would not involve communist aggression. The Prime Minister argued that such a dispute would almost certainly be a threat to the peace and security of the U.S. since Burma would undertake aggression against Thailand only if Burma came under communist control. Pakistan, however, is the one nation among the treaty signatories that must fear aggression from a non-communist country. He felt that the U.S. in its view of the Manila Treaty tended by implication to condone aggression from a non-communist country.

[1] Drafted by Thacher on Oct. 25. Briefing material for Mohammed Ali's visit is in Conference files, lot 59 D 95, CF 394.

The Secretary replied that we, of course, realized that aggression of any type in the area would be dangerous but that unless it was communist inspired we could not say that it would certainly endanger the peace and security of the U.S. He emphasized that whatever the character of the aggression, we were committed under the terms of the treaty to consult with the other signatories.

The Prime Minister discussed the risks which he felt Pakistan by its alignment with the West had incurred in its relations with India, Afghanistan and the USSR. He felt that these and even the dangers to his own personal safety were justified by the need of preserving freedom for posterity. Pakistan had, in effect, undertaken to play a dual role in defense of the Free World, one in the Middle East and the other in Southeast Asia. With such responsibilities the Prime Minister felt he might be derided in his own country if he were able to obtain at the outset only $30 million of military assistance from the U.S. Actually this sum would merely help Pakistan to fill up the gaps in its existing military framework.

The Secretary said that some consideration was being given to the possibility of increasing the first year program of military assistance to Pakistan. However, he thought Pakistan had taken its anti-communist stand because it was the right one not just to make itself eligible for certain sums of dollar aid. Far more important than receipt of our aid was Pakistan's achievement in winning the admiration and sympathy of the American people whom Pakistan would find reliable friends in times of trouble as proven by our prompt response to Pakistan's need for wheat in 1953. However, our friends must become aware that the U.S. does not have limitless resources. The U.S. budgetary situation is such that when an appropriation is made for military equipment to a foreign nation a reduction in some form of our own armaments must, in all probability, be sustained.

790D.5 MSP/10–2254 : Telegram

The Acting Secretary of State to the Embassy in Pakistan [1]

SECRET

WASHINGTON, October 22, 1954.

519. Following is substance secret *aide-mémoire* given Pakistanis on conclusion talks here which included meetings with President, Secretaries Defense, State, FOA Director and other officials their agencies: [2]

A. *Military Aid.* First objective U.S. effort will be strengthen existing forces required Pakistan's own security. U.S. will make every effort expedite military aid in order attain $171 million program in less

[1] Drafted by Thacher; approved by Jernegan; repeated for information to London.

[2] The full text of the *aide-mémoire*, which totaled 11 pages, is in Department of State file 756D.5/10–2154.

than 3½ years originally contemplated. In FY 55 U.S. will program assistance for Pakistan about $50 million in contrast $29 million proposed initially. Monetary evaluation of program to remain classified. Portion of increase may take form defense support in addition economic assistance for similar purpose described below.

U.S. recognizes matériel deliveries may result increased Pakistan defense costs including possible additional personnel for army. U.S. will investigate possibility achieving military assistance goals through programs which will recognize Pakistan's added defense budget requirements both rupee and foreign exchange.

B. *Economic Aid.* Total in excess of $105 million includes $5.5 million flood relief, $5.3 million technical assistance, $20 million defense support funds for economic development, $75.6 million consumer goods and industrial raw materials. U.S. recognizes essentiality continuance and acceleration Pakistan's economic development effort. About $20 million of aid furnished as Defense support will be loaned on liberal terms. Further consultation interested agencies U.S. government required for precise determination loan component under other legislation. U.S. will consider Heinz Mission recommendation that additional commodity aid needed following two years. With regard local currency resulting these programs U.S. and Pakistan will conclude necessary agreements and procedures its use consistent with laws and with particular regard to use to defray additional rupee costs connected military assistance program and accelerated economic development.

Discussions will commence immediately Washington looking [toward] establishment procurement arrangements and prompt shipment commodities. Procedures for U.S. observation and end use checks will be worked out by two governments in Karachi. Such arrangements to include agreed provisions for distribution through most effective channels. It is expected substantial amount commodities and other economic assistance will go East Pakistan with maximum possible direct deliveries.

U.S. assumes GOP cognizant U.S. responsibilities best use funds pursuant legislative requirements, and assumes GOP will welcome appropriate suggestions connected use such funds. Present discussions have taken note desirability feasibility steps improve Pakistan's mechanism for control foreign exchange, for scheduling implementing economic development, for continued improvement private investment climate, looking to stimulation small business and conclusion double taxation and FCN treaties. Agreements will be concluded covering economic development and commodity aid from Defense support funds, technical assistance (additional project agreements) and P.L. 480 program. End *aide-mémoire*. Text pouched Karachi, London.

In last meeting Finance Minister noted he had not had time peruse or suggest detailed rewording memoire so as reflect full Pakistan

thinking and reactions in every respect, although he in accord with general line. Since number points (such as total loan component) require further negotiations and discussion as stated memoire, he preferred cover detailed Pakistan reaction as each point arises subsequently. He agreed this document statement of U.S. position at this time.

Finance Minister indicated commodity assistance below amount Pakistanis feel needed. He repeatedly stressed desirability smallest possible loan component which they continued believe would impair their credit other international lenders in spite our assurances easy terms.

Keen disappointment expressed to President and Secretary characterized Prime Minister's initial reaction military program. This abated with U.S. promise recast FY 55 program for $50 million instead $30 million deliveries and expedite remainder of $171 million total to less than three and half years as possible.

On departure Prime Minister Finance Minister expressed deepest appreciation our help and general satisfaction results meetings.[3]

HOOVER

[3] On Oct. 21, at the conclusion of Mohammed Ali's visit to Washington, a joint U.S.-Pakistani communiqué was issued summarizing the results of his trip; for the text, see Department of State *Bulletin*, Nov. 1, 1954, pp. 639–640.

790D.5 MSP/10–2354 : Telegram

The Chargé in Pakistan (Emmerson) to the Department of State

SECRET KARACHI, October 23, 1954—6 p. m.

563. Pass FOA, Defense. Reference: Deptel circular 198, October 15.[1] Following is State message with which FOA and MAAG in general agreement.

1. Statistical data justifying major increase United States aid program Pakistan included material supplied by Embassy to Heinz mission [2] and will not be repeated here. Since August structure of problem not changed, though economic deterioration and political unrest have become more acute.

2. Re justification of aid to Pakistan, Embassy believes that Pakistan has already contributed significantly to realization of United States policy objectives Middle East and Southeast Asia, and has potential

[1] Not printed.

[2] Telegram 83 to Ankara, July 21, announced that Foreign Operations Administrator Stassen was sending a team, led by H. J. Heinz II, President of the H. J. Heinz Co., to investigate the economic situation in Pakistan and recommend a course of action to improve it. (890D.00/7–2154) The Heinz Mission recommended that the United States extend $75.6 million in emergency commodity aid to Pakistan. (Memorandum by Byroade to the Acting Secretary, Oct. 20, 1954; 790D.5 MSP/10–2054)

213-752 O - 83 Vol XI - Pt. 2 - 52

for making substantial further contribution. Turkey-Pakistan agreement continues appear most likely nucleus for creation effective organization Middle East defense, and attraction it exerts on Iraq and Iran seems increasing. Pakistan's association with SEATO gives appearance more genuine Asiatic character this arrangement, and has potential effect on Ceylon and Burma. Economic and military developments this country following its firm alignment with United States bound exert significant influence on wavering neutralist states of Middle East and Southeast Asia, and substantial progress here, added to that achieved in Turkey, would convince many doubters that collaboration with United States pays off. Finally, Pakistan has considerable military potential and will to develop it. Given requisite assistance, country could make real contribution to security of Middle East, and possibly of Southeast Asia as well.

3. Embassy understands that basic objective United States aid programs Pakistan is development of economy ultimately capable, without United States assistance, of supporting stable government and of sustaining agreed level of military effort. Available data and analyses so far made, however, do not permit long-range forecast of Pakistan's economic development, measurement of potential rate of growth, and accurate assessment of investment required realize this potential consequently, Embassy unable evaluate proposed program in relation this objective. We consider development requisite data and completion necessary analyses indispensable for proper conduct expanded United States programs Pakistan, but it is task beyond present personnel resources Embassy.

4. Embassy compelled to consider proposed aid program in more restricted framework, employing following criteria: (*a*) effect of proposed program on political and economic stability Pakistan during fiscal year 1956; (*b*) possible added requirements of military assistance program which in terms of end-item deliveries may be substantially stepped up in next fiscal year, but which should not involve significant increases in manpower; (*c*) capacity of Pakistan's economy to absorb investment.

5. On basis Embassy's estimate of Pakistan's balance payments position fiscal year 1956 and best judgment of economic and political prospects, total of $50 million aid in commodities and direct forces support plus surplus agricultural commodities at fiscal year 1955 level give fair prospects of stable situation. Given continuation present foreign exchange earnings, and proposed increase United States development assistance which should produce some incidental savings foreign exchange, proposed figure should permit some easing in supply of consumer goods, and thus ease pressures on government. However, view of present political uncertainty in Pakistan, no assurance that this or any other level of aid in itself will provide stable regime in months

ahead. Can be said with assurance that without aid of general magnitude proposed, prospects of stability materially reduced.

6. Embassy's present view that division proposed paragraph 3–B reference telegram, id est, $40 million commodities, $50 million projects, and $10 million direct forces support, preferable. From point view balance payments problem, no significant difference alternatives A and B. However, proposal which would permit direct contribution to military budget seems Embassy to offer definite advantages; (*a*) it would have desirable psychological effect on Pakistanis who have been very unhappy about level of military aid. The Finance Minister who has far greater financial sophistication than most of his colleagues, likes to think that military program will bring its own set of benefits, separate from benefits of "economic aid"; (*b*) might make it unnecessary to divert counterpart generated by commodity or development aid from development projects to military uses and obviate protracted bureaucratic clashes within GOP; (*c*) it would enable us to exert more direct influence on military budget as whole. Although present Embassy view that approximately $10 million direct forces support could probably be effectively used, and that this amount will prove sufficient to cover increased cost generated by military program in fiscal year 1956, must be emphasized this scarcely better than "hunch". At time this message drafted, military planning targets for 1956 under review in Washington, and no information available rescheduling deliveries this year or next. We have assumed "token" deliveries this year, and considerable step-up next, but no increase in force level. In event program more substantial than anticipated, may prove necessary to supplement dollar allocation for direct forces support with some counterpart funds generated by commodity or development aid.

7. Comments on proposed level project assistance necessarily speculative, since no assessment effectiveness present projects in various sectors presently available, and since certain sectors of Pakistan's economy, such as transport and communications, which might be important areas of investment under revised concept United States objectives Pakistan have not as yet been studied. However, Embassy concurs in view that $50 million probably reasonable planning level. Ability deal effectively with program this magnitude assumes following: (*a*) Effective domestic financial policies to mobilize capital supplemented by adequate rupee counterpart; (*b*) rapid and effective development of additional projects, particularly in areas which would make useful contribution to defense potential, id est, transport, communications, POL distribution facilities, ordnance production, etc.; (*c*) effective coordination of plans for provision of dollar and rupee components such projects; (*d*) marked stepping up in recruitment of United States technical and contract personnel, and for long range,

substantial increase in technical training of Pakistanis. Although Embassy considers that significant amount investment in sectors which are not immediately productive of returns may be justified by long-range economic considerations, or by defense considerations, or both, Embassy strongly endorses objective 5–A2 reftel of avoiding diffusion effort, and concentrating priority activities. In this connection, suggest desirability thorough assessment present FOA program determining areas in which greatest results produced, and ability expand activities these areas.

8. Re loan basis defense support funds, Embassy believes following considerations relevant Pakistan: (*a*) Extreme tightness Pakistan's budget, and limited local currency available investment purposes. Generation some counterpart will probably be necessary permit effective utilization expanded dollar projects; (*b*) probability that significant part any expanded investment program will be in areas which though important to defense and long-range economic progress do not promise any immediate direct financial return, exempli gratia, transport, communications, etc.; (*c*) possible need for local currency contribution to Pakistan's defense budget to permit realization military objectives. For these reasons, Embassy considers substantial portion of defense support aid should be in form grants. Some portion might be loan, provided such loan to be serviced in rupees. Repayment in dollars of course impossible for foreseeable future.

9. Despatch setting forth USOM detailed program recommendations forwarded FOA air pouch October 23.[3]

EMMERSON

[3] Not printed.

INDEX

INDEX

Abbas, Ferhat, 137, 382, 388–389, 391, 404
Abdelaziz, Mohamed, 403
Abdullah, Moulay, 621, 643, 881
Abdullah, Sheikh Mohammad, 1058, 1168–1169, 1172, 1178, 1184–1190, 1192, 1199, 1205, 1222, 1235, 1239, 1244, 1258, 1263–1264, 1275–1277, 1279, 1286–1287, 1289–1292, 1297, 1301–1302, 1312, 1323–1332, 1340
Abdelwahab, Abdel, 884
Abed, Abdullah, 584
Acheson, Dean G., 884
  Afghanistan, U.S. policy toward and relations with, 1382, 1447, 1449–1452, 1454–1456, 1462–1464
  Ethiopia, U.S. policy toward and relations with, 419–420, 423–424, 428–430, 433–434, 439, 448–449
  Gold Coast, U.S. policy toward, 267, 277–278
  India, U.S. policy toward and relations with, 1633, 1635*n*, 1637–1638, 1641, 1646–1653, 1657, 1679, 1681–1684
  Kashmir dispute, 1164–1167, 1170–1172, 1177, 1179–1182, 1184–1185, 1187–1188, 1196–1197, 1203–1205, 1208–1210, 1213, 1216–1217, 1222–1224, 1227, 1230–1232, 1235, 1241–1243, 1245–1246, 1248–1249, 1251, 1259–1261, 1279–1282, 1284, 1295, 1302
  Libya, U.S. policy toward and relations with, 538–540
  Morocco, U.S. policy toward, 146, 602–603, 606, 643, 767–768
  Pakistan, U.S. policy toward and relations with, 1819–1821
  Pushtunistan dispute, 1375–1376, 1378–1380, 1386, 1389
  Rhodesia, Northern, U.S. policy toward, 317–318
  Speech to the United Nations General Assembly, *Oct. 16, 1952*, 1677
  Sri Lanka, U.S. policy toward and relations with, 1500–1501, 1509–1510, 1513–1514, 1517–1518, 1525–1526, 1528–1530, 1533–1535, 1543–1544
  Tangier, U.S. policy toward, 197–201
  Tunisia, U.S. policy toward, 685–688, 690–692, 700–701, 703–704, 716–729, 734–739, 744, 751–754, 757, 763*n*, 764, 766, 768–770, 772–773, 779, 782, 784, 786–789, 796–797, 799, 801–803, 805–807, 811–816, 819–824, 828, 831–848, 851, 853–854, 881
  Union of South Africa, U.S. policy toward and relations with, 906, 910–911, 917–918, 927–928, 934–936, 938*n*, 940, 942, 946–949, 963–967, 969, 970*n*, 973–976
Achilles, Theodore C., 406, 627, 636–637, 876–877, 897–898
Acker, Elwood Bishop, 625*n*
Adams, J. Wesley, 1747–1748, 1757, 1759–1760
Adams, Joseph, 1815–1817
Adams, Robert A. W., 1747–1748
Adams, Russell B., 1802–1804, 1815–1817
Adams, Sherman, 43*n*
Afghanistan (*see also* Pushtunistan dispute between Afghanistan and Pakistan *and under* United Nations General Assembly: Country positions):
  Agreement with the United States regarding wheat credit, *Jan. 8, 1953*, 1464*n*
  Arab states, relations with, 1496
  Beryl exports, 1144
  China, People's Republic of, relations with, 1150, 1418–1419
  Chrome production and exports, 1388
  Communist activities in, 1382, 1460, 1482, 1490, 1492
  Communist control, threat of, 1099
  Czechoslovakia, relations with, 1418, 1489
  Economic situation in, 1487–1488, 1490
  Export-Import Bank loans, 1101, 1114, 1116–1117, 1141, 1146, 1150, 1152, 1156, 1158*n*, 1379, 1407, 1440, 1461–1462, 1466–1470, 1472–1474, 1488, 1490
  Ford Foundation activities in, 2
  France, relations with, 1496
  Germany, Federal Republic of, relations with, 1496
  Independence of, 1098
  India, relations with, 1118, 1373–1374, 1379, 1420, 1431, 1433, 1478, 1487, 1495
  Iran, relations with, 1152, 1154, 1156, 1436–1437, 1495, 1497
  Neutrality policy, 1074, 1118–1119, 1494

Afghanistan—Continued
Pakistan, relations with, 1061, 1154–1157, 1307, 1371, 1373–1375, 1437, 1466, 1478, 1487, 1497, 1862–1863, 1872
Political situation in, 1061, 1072*n*, 1104, 1109, 1481–1482, 1485–1487, 1489–1490
Soviet Union, relations with, 1088, 1090, 1101, 1110–1111, 1119, 1137–1138, 1149, 1153–1157, 1367, 1369, 1371, 1373–1379, 1381–1382, 1383*n*, 1384, 1386, 1388, 1392, 1400, 1406, 1413, 1415–1416, 1418, 1420–1421, 1423, 1426, 1428–1431, 1433–1435, 1437, 1440, 1445, 1447–1458, 1460–1464, 1474–1479, 1481–1484, 1487–1494, 1496, 1834
Turkey, relations with, 1423–1424, 1495–1496
United Kingdom, relations with, 1496
U.N. Technical Assistance Mission, 1447, 1453*n*, 1463, 1489
U.S. economic assistance, 1122–1124, 1137, 1142, 1144*n*, 1148–1150, 1152, 1154, 1156, 1158–1160, 1370, 1388, 1400, 1407, 1415, 1420–1421, 1427, 1434–1438, 1441, 1444, 1450, 1453–1455, 1457, 1459–1462, 1469–1471, 1474, 1477, 1488, 1494, 1496–1497
U.S. educational exchange program, 1122–1123, 1140, 1158–1159
U.S. information activities, 1122–1123, 1158–1159, 1452
U.S. military assistance, question of, 1119, 1153–1154, 1157, 1414, 1417*n*, 1420–1422, 1425, 1427, 1435, 1437, 1441–1442, 1444–1445, 1452, 1454, 1461, 1470*n*, 1471, 1474–1475, 1477, 1479–1480, 1494, 1497
U.S. military assistance to Pakistan, opposition to, 1407–1408, 1418, 1420, 1423, 1439–1440, 1442–1443, 1445, 1494, 1838, 1841
U.S. policy toward, 1089, 1095, 1146, 1152, 1433–1435, 1437–1438, 1447–1493, 1836
U.S. technical assistance, 1061, 1114, 1116, 1122–1123, 1141, 1148, 1150, 1152, 1156, 1158–1161, 1370, 1437, 1449, 1453, 1457, 1459–1462, 1468–1469, 1488, 1497
U.S. wheat loan, 1464
Visit by Vice President Nixon, 1088, 1146, 1149, 1403, 1405*n*, 1406–1407, 1418

Africa (*see also* Africa South of the Sahara, French Equatorial Africa, French North Africa, North Africa, *and individual countries and territories*):
Belgian possessions in (*see also* Belgian Congo), 1–2
Colonial question, 54–65, 102, 118
Communist activities in, 103–105, 107, 115
Ford Foundation activities in, 1–4
French possessions in, 1
Nationalist movement, 102, 118, 171
Portuguese possessions in, 1
Racial problems, 103, 105, 107, 118
Strategic importance of, 102, 105–106
Strategic raw materials in, 102–105, 107, 118, 496
U.S. military interests in, 103–107, 118

Africa South of the Sahara (*see also individual countries and territories*):
Air communications with, 65–67
Belgian role, 99
Black nationalism, 5–8, 12, 72, 99
British role, 90
Communist activities in, 72–73, 79–80, 122
Economic development of, 26–29
Population, 89, 99
Portuguese role, 99
Racial problems, 5, 12, 43–46, 48, 77–79
Strategic importance of, 71–75, 87, 99–101
Strategic raw materials in, 49, 72–74, 87–88, 99

African Defence Facilities Conference, Nairobi, *Aug. 21–31, 1951*, 90, 112–114, 119
African Defence Facilities Conference, Dakar, *Mar. 11–19, 1954*, 90–91, 94–95, 108–120, 125–126, 518–519
African Labor Bureau, 47
Afro-Arab-Asian bloc. *See under* United Nations General Assembly: Country positions *and* United Nations Security Council: Country positions.
Afro-Asian Conference at Djakarta, proposed, 1625–1628, 1332, 1779
Agha Khan, 1493
Agricultural Trade Development and Assistance Act of *1954* (P.L. *480*), 1784–1785, 1797–1798, 1802
Agriculture, U.S. Department of, 1059, 1527, 1529, 1536, 1538, 1547*n*, 1785, 1798*n*, 1802
Ahmad, Sultan, 1447, 1458
Ahmed, Aziz, 1360–1362
Air Coordinating Committee, U.S., 500, 501*n*
Air Force, U.S., 485–489, 492–495, 497–498, 500–502, 506–509, 511, 513, 516–518, 544*n*, 548, 555–556, 561, 578*n*, 583, 586*n*, 589–590, 592–593, 596, 617
Air Force, U.S. Department of the, 1668, 1681–1682
Air Transport Association, 1773
Akililou, Ato Abte-wold. *See* Habtewold.
Alberts, Arthur Stanley, 415–416
Alexander of Tunis, Earl, 119–120
Alexander, George, 1531
Algeria (*see also* Algerian case *under* United Nations Security Council):

Algeria—Continued
Communist activities in, 137, 161, 382–383, 385–386, 391–392, 395–396, 402, 404
Defense and security of, 175
French policy toward and position in, 382–399, 403–405, 637*n*, 679
Manpower potential, 144–146
Nationalist movement, 137, 176, 382–391, 395–397, 399
Political situation, 130, 136–137, 154, 157, 160, 164–166, 172–173, 179, 184–186, 391–399, 401–405
U.S. economic and technical assistance, 179
U.S. policy toward, 181
U.S.-supplied military matériel, question regarding use of, 398
Ali, Chaudry Mohammed, 1319–1320, 1424–1425
Ali, Mohammad, 708–709, 1079, 1103, 1130, 1132–1134, 1145, 1176–1177, 1181, 1192, 1197, 1206, 1208, 1220–1221, 1228, 1318–1320, 1322–1325, 1327–1329, 1331–1340, 1342, 1344–1347, 1357–1358, 1360–1362, 1383–1384, 1396, 1417, 1423–1424, 1426–1428, 1432, 1434, 1446, 1613, 1678–1679, 1739, 1821–1823, 1830–1835, 1837–1838, 1840, 1844, 1846–1847, 1853–1854, 1856, 1860–1861, 1864, 1867–1869, 1871
Ali, Sher, 1340
Ali, Syed Amjad, 1424, 1428–1429, 1445–1446, 1847, 1849–1851, 1859–1860, 1868–1869, 1871
Ali Khan, Prince, 1430, 1433
Ali Mohommad Khan, 1365–1366, 1381–1382, 1386, 1390, 1391–1392, 1394–1396, 1447–1452, 1455–1459, 1462–1463, 1465*n*
Allen, Charles, 828
Allen, George V., 92, 1118*n*, 1144–1145, 1323, 1325–1332, 1338–1339, 1342, 1350–1355, 1596–1597, 1603–1604, 1694–1702, 1704–1706, 1708–1720, 1722–1724, 1727–1732, 1736–1741, 1746–1749, 1753–1760, 1765–1766, 1770, 1773, 1774*n*, 1777–1783, 1787–1789, 1802–1804, 1807, 1835
Allen, Roger, 558–562
Allen, Ward P., 680*n*, 719*n*, 720*n*, 728*n*, 795*n*, 828, 833, 940, 947–949, 1013–1014, 1030–1032
Aluminum, 74, 277–281
Alvapillai, K., 1503, 1522, 1531
Alves, Vasco Lopes, 117
Alvord, Emory Delmont, 320*n*
Amanullah, Amir, 1487
Amar, Tahar ben, 677, 687, 707, 713, 863, 884, 886, 889, 891, 893–894, 896–897
Amatis, Roland P., 23
Ambegaokar, K. G., 1747–1748, 1760
Amerasinghe, H. Shirley, 1585
American Federation of Labor, 745, 790–791
American Friends Service Committee, 323
Anderson, Daniel V., 195–196
Anderson, Samuel W., 1592
Andrews, George, 458–459
Andrews, Stanley, 497, 1536–1537
Aneizi (al-Unayzi), Ali, 580, 585–586, 588, 592
Anglo-Egyptian Sudan, 72, 78, 243, 245
Anglo-Iranian Oil Company, 671, 703, 709, 711
Angola:
Defense and security of, 90
Export-Import Bank loan, 40
Population, 89
Portuguese policies toward, 1, 50, 61, 74, 78, 86, 239, 246
Strategic raw materials in, 1067
Anschuetz, Norbert L., 1858–1859, 1865*n*
Anthis, Col. Rollen H., 568, 576*n*, 594
Anthony, Frank, 1746
Antimony, 954
Apithy, Sourou Migan, 71
Appiah, Joe, 240*n*
Appleby, Brig. J. A., 316
Arab-Asian bloc (*see also* Afro-Arab-Asian bloc *under* United Nations General Assembly: Country positions *and under* United Nations Security Council: Country positions), 99, 147–148, 152, 156, 163, 167, 171–173, 176, 390, 436, 624, 628, 637*n*, 1483–1484, 1496
Arab League, 142, 158, 161, 170, 392–394, 402, 573, 585, 656, 767, 884, 896
Arab states (*see also* Afro-Arab-Asian bloc *under* United Nations General Assembly: Country positions *and under* United Nations Security Council: Country positions):
Afghanistan, relations with, 1496
Ethiopia, policy toward, 441
Libya, relations with, 142, 170, 585, 589
Morocco, policy toward, 1841
Pakistan, attitude toward, 1841
Palestine question, 1836–1837
Policies of, 155, 160, 163, 168, 176, 182–183, 436, 441, 585, 589, 769
Spanish policy toward, 172
U.S. military assistance, question of, 440
Arden-Clarke, Sir Charles, 261–262, 267–269
Arey, Hawthorne, 1472–1474
Argentina, 1021, 1043, 1047, 1056*n*
Arlabosse, Abbot, 241
Armstrong, Willis C., 1506, 1524, 1531, 1537*n*, 1539*n*
Army, U.S. Department of the, 516, 1232–1233
Arneson, R. Gordon, 406, 408–409, 902*n*, 923, 1703*n*, 1728*n*
Asbestos, 73, 88, 107, 298–299, 318–319, 909, 953–954

Asia, 105–107, 171, 176–177, 179, 1411, 1628, 1636–1637, 1642, 1654, 1656, 1669, 1671, 1673, 1676–1677, 1681–1682, 1691, 1717, 1769, 1778, 1843, 1854, 1857
Atomic Energy Act of *1946* (McMahon Act), 1763
Atomic Energy Commission, U.S., 414, 488, 903–905, 923–924, 932–933, 1701, 1705, 1707, 1710, 1718, 1720–1721, 1728–1730, 1733, 1740, 1752, 1763–1764, 1767–1769, 1792–1793, 1795–1797
Attlee, Clement R., 1618
Auriol, Vincent, 699, 714, 785, 803–804
Austin, Rear Adm. Bernard L., 1303–1334
Austin, Warren R., 381–684, 689–690, 702–705, 709–712, 726–727, 748–751, 754–758, 828–830, 850, 946*n*, 973, 1192, 1194, 1218–1219, 1224–1225, 1229–1230, 1231, 1249–1250, 1295–1297
Australia, 829, 943, 952, 1006, 1065, 1347, 1740, 1864*n*
Austria, 823
Awolowo, Obafemi, 42, 67–68, 71, 81, 264*n*
Ayub, Mohammad, 1192, 1247, 1250, 1262, 1266, 1268–1269, 1281, 1340
Ayyangar, N. Gopalaswami, 1287–1291, 1296–1297, 1308, 1639–1640, 1644–1645, 1664
Azad, Maulana Abul Kalam, 710–712, 749, 1639–1640
Azikiwe, Benjamin Nnamdi, 42–43, 67–69, 71, 81, 264*n*, 265–266
Aziz, Abdul Hamid Khan, 1367–1368, 1391–1392, 1412–1413, 1425–1426, 1449–1451, 1458, 1466*n*
Azzam Pasha, Abdul Rahman, 1172

Baccouche, Salaheddine (Salah Al-Din), 129–130, 133, 602, 706–707, 713–714, 718–719, 723–724, 737, 743, 745, 760, 778, 783–786, 787*n*, 788, 795, 799–801, 860, 862, 865, 868, 875, 884–885
Badra, Mohamed, 670, 696, 895
Baeyens, Jacques, 619, 621
Bagley, Lt. Col. Ronald D., 91*n*
Baig, M. A. O., 1180
Bailly, Camille, 233–235
Bajpai, Sir Girja Shankar, 732–733, 797, 1164–1170, 1173–1174, 1178, 1181–1183, 1192, 1198–1199, 1211–1212, 1221–1222, 1225–1226, 1229–1230, 1231, 1234–1242, 1244, 1250, 1253–1255, 1258, 1302, 1311–1312, 1640, 1644–1646, 1664, 1694, 1703, 1713–1714
Balafrej, Ahmed, 135, 606, 643, 656, 881–882
Ball, William H., 326–327, 334, 336
Ballinger, Margaret, 1015
Balluseck, Daniel von, 681–682, 702–703
Balogun, Kola, 355
Bancroft, Harding F., 828, 963–964, 966
Banda, Hastings, 329
Bandaranaike, Solomon W.R.D., 1516, 1520
Banerji, Brig. P.C., 1658–1660
Banjelloun (Benjelloun), Abdelkadar, 610, 643, 881
Bao Dai, 746, 1616
Barbara de Labelotterie de Boisséson, Robert, 606–669, 675–676, 696, 887, 891–892
Barber West Africa Line, 286*n*
Bargash, Ali, 604
Barnes, Robert G., 1633
Barringer, J. Paul, 65–67, 501*n*, 511, 1802, 1815–1816
Bartlett, Frederic P., 1770–1771, 1777–1778, 1787–1788, 1791–1792
Basdevant, Jean D., 641–642, 647–648, 662–663, 862–864, 873, 875–877, 879–880, 882–883, 886–889, 893–895, 900–901
Basutoland, 23, 89, 962
Battle Act. *See* Mutual Assistance Control Act.
Battle, Laurie C., 1503*n*, 1697*n*
Battle, Lucius D., 918*n*
Baudouy, Robert, 604, 622
Baum, Robert, 120
Bauxite, 519
Bayar, Celâl, 1836
Bayne, E.A., 24–26, 281–282, 364
Bayur, Hikmet, 730
Bean, 461, 463–464, 472
Bearce, Roger Mellen, 411–412
Beard, John K., 423*n*, 426, 430*n*, 438*n*, 445*n*, 481*n*
Bechhoefer, Bernard G., 828
Bechuanaland, 23, 45, 89, 962
Beck, Philip, 1447–1448, 1451
Becquey, Georges Henry, 245
Belcher, Ronald H., 333, 950*n*, 1261, 1514–1515
Belgian-American Committee for Congo Defense, 409*n*
Belgian Congo:
  Belgian policy toward, 1–2, 25, 31–32, 50, 61, 78, 84–85, 87, 104, 123–124, 239–240, 302, 406–409, 416
  Communist activities in, 79, 412, 415
  Defense and security of, 90, 406–409
  Federation of Associations of Belgian Congo Colonists (FEDACOL), 31–32
  Indian minority, 415
  Political situation, 238, 411–412
  Population, 89
  Racial question, 414–415
  Strategic raw materials in, 73–88, 103, 123–124, 298, 308, 408, 410, 416–417, 1067
  U.N. Trusteeship Council visit to, 123
  U.S. information services in, 414–416
  U.S. policy toward, 406–417
  U.S. trade with, 52

Belgium (*see also* Belgian Congo), 91, 109–111, 115, 117, 125, 250, 1551, 1740, 1753, 1757
Belkhodja (Balkhodja), Abdel Kader, 876–877
Bellegarde, Dantes, 1006*n*
Bellouan, Ali, 895
Benard, Jean Pierre, 861–862, 864–865
Ben Bomdane, Chedly, 977*n*
Benelux, 1367, 1423
Benjelloun. *See* Banjelloum, Abdelkader.
Ben Rais, Dr., 863, 876, 885
Ben Said, Naceur, 884
Benson, Ezra Taft, 1826, 1829
Ben Youssef, Sidi Mohammed. *See* Mohammed ben Youssef.
Berger, Samuel, 790–791
Berlin, 671
Bernadotte, Count Folke, 1348
Berry, Burton Y., 423*n*, 538*n*, 700*n*, 721*n*, 758, 906*n*, 907, 1177–1179, 1567*n*, 1633*n*, 1634–1635, 1641
Bertho, Père, 241
Beryl, 1097, 1144, 1767–1770, 1792–1793, 1795–1797
Bessis, Albert, 861
Bevan, Aneurin, 1645
Bey, Prince Chedly (Chadley, Chadli), 130, 694–695, 754–755, 791, 852, 859
Bhabha, H.J., 1727–1729, 1741, 1753–1757, 1759
Bhatnagar, S. S., 1704, 1706–1707, 1709, 1718–1720, 1722, 1727–1730, 1741, 1752–1756, 1758, 1765
Bhutan, 1072*n*, 1074, 1086
Bidault, Georges, 43*n*, 185, 389–390, 615, 619, 627–628, 631, 635, 636*n*, 856–857, 863–864, 876
Bigart, Homer, 627, 713
Bigerumwami, Monsignor, 31
Bingham, Jonathan B., 1529
Binoche, Jean, 756–757, 760, 764, 766, 780, 785–786, 788, 818, 821
Birch, John A., 4*n*, 5–6, 920–921
Birge, Walter William, 233
Birgi, Muharrem N., 731
Bishop, Max W., 687–688, 1792*n*, 1795–1797
Biswas, Chara Ahandra, 1640
Black, Eugene, 1187, 1595, 1828
Black, Myron L., 1499, 1535, 1540–1541, 1545, 1555–1556, 1564, 1572*n*
Blackley, T. R., 569
Blaisdell, Donald C., 1212
Blake, M. Williams, 233–235, 238*n*
Bland, Col. E. A., Jr., 4*n*, 5
Blankenheimer, Bernard, 247, 249, 599
de Blesson, Jacques, 128, 613–614, 627
Blue, William L., 92
Blum, Robert, 380
Blundell, Michael, 350
Boegner, Jean-Marc, 645
Bohlen, Charles E., 735*n*
de Boisanger, Claude. *See* Bréart de Boisanger.
de Boisséson, Robert. *See* Barbara de Labelotterie de Boisséson.
Bokhari, Ahmad Shah, 681–684, 702–705, 709–712, 726–727, 734*n*, 738, 740–742, 749–750, 815, 819–820, 1228, 1266, 1268–1269, 1279, 1281, 1295, 1297, 1357*n*
Bolivia, 635, 636*n*, 740, 976*n*, 1017*n*, 1054
Bolster, Edward A., 1790, 1794*n*, 1802–1804, 1808*n*, 1811*n*, 1815–1816
Bolté, Gen. Charles L., 418–419, 427, 431, 439–440
Bolton, Frances P., 591, 1012–1013, 1014*n*, 1015, 1017–1020, 1023, 1032
Bonbright, James C. H., 142–144, 607, 615*n*, 635*n*, 680*n*, 685*n*, 689*n*, 690–692, 729*n*, 734, 738*n*, 758, 762–763, 780*n*, 781–782, 784, 786*n*, 791*n*, 801*n*, 812*n*, 813*n*, 815*n*, 966, 971*n*, 995
Bond, Horace Mann, 70, 238*n*, 277*n*
Boniface, Arthur G., 627
Bonnet, Henri, 600–602, 628, 635, 690–692, 700–701, 715–716, 721, 723, 728*n*, 734–736, 744, 751–753, 801–803, 818, 822
Bonsal, Philip W., 679, 687, 692–693, 695–696, 699–701
Booker T. Washington Institute, 528*n*
Borgeaud, Henri, 404
Botha, J. S. F., 940
Botsio, Kojo, 67
Boudali, Nouri, 708, 782, 795, 796*n*, 865
Bouhafa, El Abed, 751
Bouhageb, Aly, 891–892
Bourgerie, Elmer H., 1–2, 7, 300–302, 419*n*, 538*n*, 680*n*, 688*n*, 703*n*, 720*n*, 738*n*
Bourguiba, Habib Ben Ali, 132–133, 185, 602, 643, 669*n*, 673–674, 676–677, 687, 697, 702, 706, 723, 743, 746, 749, 757, 761, 764, 802, 867, 872, 875, 878–881, 883–884, 886, 891–893, 895, 897–898
Bovey, John A., 642–644, 880–882
Bowie, Robert R., 97–98, 1118*n*, 1126
Bowles, Chester B., 732–735, 797–798, 935*n*, 980–981, 982*n*, 1058, 1138, 1164–1165, 1167–1170, 1173–1175, 1179, 1182–1184, 1188–1190, 1196, 1198–1202, 1219, 1221–1222, 1225–1227, 1229–1231, 1232–1241, 1243–1245, 1250–1252, 1257–1259, 1261, 1263–1265, 1268–1276, 1278–1284, 1286–1287, 1289–1294, 1299–1308, 1311–1313, 1369, 1373–1374, 1633–1641, 1643–1657, 1660–1661, 1663–1664, 1666–1677, 1679–1681, 1687, 1692–1693, 1694*n*, 1821
Braderman, Eugene M., 1591–1592
Bramble, Harlan P., 909*n*
Brannan, Charles F., 1526, 1528, 1530
Brazil, 95, 607, 635, 661, 703, 710–711, 844, 848, 853–854, 983, 1043, 1047, 1050, 1051*n*, 1053, 1056*n*, 1067
Bréart de Boisanger, Claude, 729–730, 736
Bressler, Maj. Dean M., 1354

Brice, Edward W., 532
Bright, Bankole, 42, 67
British Broadcasting Corporation, 14, 357
British Cameroons, 81–82, 89–90, 123 247
British Central Africa (Nyasaland, Northern Rhodesia, Southern Rhodesia):
British role in, 9, 72, 82–83, 332
Communist activities in, 79
Political situation, 78, 82–83, 87
Population, 89
Racial problems, 97
Strategic raw materials in, 9–10, 73, 82
U.S. information activities in, 11
U.S. technical assistance, 2, 29
British East Africa (Kenya, Tanganyika, Uganda, Zanzibar):
Communist activities in, 79, 376
Defense and security of, 332
Indian minority in, 84
Political situation, 72, 83–84, 412
Population, 89
Technical assistance program for, 2
U.S. economic assistance, proposed, 364–365
U.S. policy toward, 346–381
British East Africa Command, 52, 332
British Guiana, 287–288, 371, 1617
British Overseas Airways Corporation, 66, 496, 510, 513, 1356, 1743, 1782–1783
British South African Company, 296
British Togoland, 81–82, 89–90, 122–123, 237
British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone):
African Defence Facilities Conference at Dakar, participation in, 115, 117
British policy toward, 18–19, 49, 66, 72, 78, 80
Political situation, 78, 80–81, 85, 87, 99
Population, 89
Technical assistance program for, 2, 29
British West Indies, 371
Brockway, Fenner, 41, 67, 71
Brown, Ben H., Jr., 293–294
Brown, Elizabeth, 949–952, 966, 1021*n*, 1023*n*, 1030*n*, 1052*n*, 1055*n*
Brown, William O., 1, 8, 21, 26, 29
Brown, Winthrop G., 909
Browne, Vincent J., 531*n*
Brownell, George A., 1790
Bruce, David K. E.:
Afghanistan, U.S. policy toward and relations with, 1458, 1463–1464
Central African Federation, U.S. policy toward, 313–315
Consular and Administrative Conference at Capetown, 22–23
Ethiopia, U.S. policy toward and relations with, 430
Bruce, David K. E.—Continued
India, U.S. policy toward and relations with, 1654–1655, 1657, 1665
Kashmir dispute, 1251, 1262, 1265–1272, 1276–1277, 1283, 1285, 1298–1299, 1304–1306, 1308–1310
Kenya, U.S. policy toward, 355–356
Liberia, U.S. policy toward and relations with, 498–499, 501*n*
Libya, U.S. policy toward and relations with, 556–558, 564–565
Morocco, U.S. policy toward, 600–604, 606
Pakistan, U.S. policy toward and relations with, 1818–1819
Pushtunistan dispute, 1376–1378, 1380, 1386, 1388*n*, 1389
South Asia, U.S. policy toward, 1057–1062
Sri Lanka, U.S. policy toward and relations with, 1536–1537, 1553–1555
Tangier, U.S. policy toward, 197
Tunisia, U.S. policy toward, 673–674, 684–685, 687–688, 721*n*, 723, 728*n*, 734–735, 742*n*, 758–763, 789*n*, 790–792, 795–796, 798–800, 801*n*, 807, 810, 812, 834, 837
Union of South Africa, U.S. policy toward and relations with, 922–923, 968, 970*n*, 971–974, 981–982
Bryan, Belton O'Neal, 419*n*, 423*n*, 493, 1818*n*
Buisseret, Auguste, 32
Bureau of Public Roads, U.S., 457
Bureau of the Budget, U.S., 1635, 1652–1653, 1683, 1798*n*
Burma, 603, 635, 638*n*, 661*n*, 739, 798, 849, 927, 976*n*, 978, 1017*n*, 1054, 1074, 1086, 1115, 1118–1120, 1134, 1307, 1344, 1504, 1523, 1546, 1556, 1580, 1582–1584, 1595, 1610, 1613, 1621, 1698, 1712, 1740, 1872
Buron, Robert, 258
Buseiri, Abdul Salam, 585
Busia, Kofi A., 67
Byington, Homer M., 680*n*, 699*n*, 721*n*, 735*n*, 780*n*, 784–785, 829, 848
Byrnes, James F., 1012
Byroade, Henry A.:
Afghanistan, U.S. policy toward and relations with, 1454*n*, 1458–1462, 1470–1471, 1478–1480
Africa, U.S. policy toward, 38*n*, 54–65, 123–124
Assistant Secretary of State for Near Eastern, South Asian, and African Affairs, 127*n*
Belgian Congo, U.S. policy toward, 410–411
Ethiopia, U.S. policy toward and relations with, 433–434, 438, 442, 445–449, 451–453, 455*n*, 456–458, 464, 467, 469–480
French North Africa, U.S. policy toward, 127–131, 149–150, 183–184

Byroade, Henry A.—Continued
India, U.S. policy toward and relations with, 1060, 1658–1660, 1665, 1677*n*, 1678, 1684*n*, 1693, 1703–1705, 1712–1713, 1724–1726, 1735*n*, 1772, 1773*n*, 1779, 1780*n*, 1784–1785
Kashmir dispute, 1304–1306, 1308–1309, 1314–1315, 1317–1318, 1360*n*
Liberia, U.S. policy toward and relations with, 487–489, 491, 493, 495, 497, 500, 502*n*, 513, 516, 522–525, 529, 533–534, 536
Libya, U.S. policy toward and relations with, 590–596
Morocco, U.S. policy toward, 627*n*, 657–658
Pakistan, U.S. policy toward and relations with, 1825–1826, 1833, 1835*n*, 1839*n*, 1847–1848, 1857*n*, 1868–1869, 1871*n*
Pushtunistan dispute, 1383, 1387–1390, 1394, 1395*n*, 1396–1397, 1402–1403, 1414–1416, 1421–1422, 1424–1427, 1435
South Asia, U.S. policy toward, 1118–1120
Speech of *Oct. 31, 1953*, 1139
Sri Lanka, U.S. policy toward and relations with, 1526–1529, 1533, 1579, 1585, 1592*n*, 1594–1595, 1601, 1605, 1626–1628
Tunisia, U.S. policy toward, 735*n*, 744, 788, 810–811, 812*n*
Union of South Africa, U.S. policy toward and relations with, 1020

Cadmium, 73, 88
Caffery, Jefferson, 127–131, 181
Cain, Leighton, 1660
Callahan, John P., 1416, 1440
Cambodia, 1848
Cameroons. *See* British Cameroons *and* French Cameroons.
Campbell-Johnson, Alan, 1168
Canada, 280, 830–831, 952, 1030, 1549–1551, 1590
Cape Verde Islands, 90
Capomazza, Benedetto, Marchese di Campolattaro, 421–423
Capricorn Africa Society, 30, 32, 37
CARE, 319
Carey, Archibald J., 1014
Carnegie Foundation, 47
Carreira, Antonio, 32
Carroll, Col. Paul Thomas, 509
Carter, Brig. Gen. Marshall S., 1232–1233
Casey, Richard Gardiner, 1206
Cassell, C. Abayomi, 522–526, 534
Casto, George C., 1531–1533
Caterpillar Tractor Company, 933
Central African Congress, *Jan. 4–7, 1953*, 30–37
Central African Federation (Nyasaland, Northern Rhodesia, Southern Rhodesia):
Central African Federation—Continued
British policy toward, 296–298, 310–312, 321, 325, 327–331, 333–334, 336–342
Developments concerning, 10–11, 20, 35, 45, 49, 53, 60, 82–83, 90–91, 93, 95, 115, 117
Strategic raw materials in, 318, 320–321, 323, 325
Union of South African relationship to, 321, 332, 338, 340
U.S. interest in, 296–345
Central Intelligence Agency, U.S., 71*n*, 107, 131*n*, 153*n*, 411–412, 953*n*, 1148*n*, 1213–1214, 1635
Ceylon. *See* Sri Lanka.
Chad, 85*n*
Chaker, Hedi, 865
Chambard, Roger, 70–71
Chancel, Ludovic C., 648
Chanda, Anil K., 1695
Chartrand, Chester R., 4*n*, 6
Chase, Lt. Col. Hyman, 536
Chavenet, Pierre, 894
Chedly Bey, Prince. *See* Bey, Prince Chedly.
Chelvanayakam, 1520
Chenik, Mohamed (Muhammad), 133, 602, 665–666, 669*n*, 670–671, 673–674, 676–677, 687*n*, 693*n*, 694, 696–701, 706, 708, 713–714, 722, 737, 742–743, 747, 749, 755, 759, 764, 784, 802, 855, 872, 885, 889
Chevallier, Jacques, 394–395, 397–399, 404
Chiang Kai-shek, 1616, 1655
Chicester, A. I., 324
Childs, A. W., 265–266
Childs, J. Rives, 418–423, 425–427, 431–432, 439
Chile, 703, 710, 740, 748, 1019, 1026, 1054
China, People's Republic of, 376, 380, 621, 946, 1065, 1071, 1077, 1083, 1085–1086, 1089–1091, 1094–1096, 1098–1099, 1101, 1110, 1119, 1144, 1150, 1418–1419, 1476, 1521, 1527, 1550, 1617, 1621, 1625, 1631, 1635–1637, 1672–1673, 1778–1779
China, Republic of, 104, 703, 709–711, 1233, 1321, 1637, 1656, 1670, 1672
Choiseul-Praslin, René, 705–707, 783
Chou En-lai, 1414, 1594
Christie, Landsdell K., 499
Chrome, 73–74, 88, 105, 298–299, 301, 305, 308, 318, 320, 909, 1388
Chrysler Corporation, 933
Churchill, Winston, 1197, 1207, 1302, 1618, 1848
Cibelli, Enrica, 141
Civil Aeronautics Board, U.S., 497, 511, 518, 1773–1777, 1790–1791, 1803–1805, 1814*n*
Clark, Lewis, 391–393, 396–399
Clark, Gen. Mark W., 930
Claxton, Philander P., 1825*n*
Clemens, George, 305–306, 308, 364
Clyde, William, 1528–1529, 1531
Clydesmuir, Lord, 265

Cobalt, 73–74, 88, 99, 103, 105, 107, 175, 302–303, 318, 410
Cocoa, 73, 88, 107, 253, 286
Coffey, Col., 423*n*
Cohen, Sir Andrew B., 329*n*, 356, 370, 374, 377
Cohen, Benjamin V., 828, 833, 966, 968, 974
Colby, Sir Geoffrey, 330*n*
Colclaser, H. Alberta, 1773*n*, 1804*n*, 1808*n*, 1811*n*, 1815
Cole, Sterling, 414
Cole, William E., 41–43, 67–69, 235–236, 255–257, 261–263, 267–269, 275–278, 282–284, 285*n*, 288–289, 290*n*
Colombia, 661, 741, 823, 829, 1006, 1021, 1749
Colombo Plan, 1437, 1454, 1478, 1497, 1585, 1625, 1638, 1654, 1724, 1784
Colonial question. *See under* United Nations General Assembly.
Colonna, Antoine, 802, 856, 891
Columbite, 73, 88, 99, 103
Combined Development Agency, 902–905
Combined Policy Committee, 902*n*, 905
Commerce, U.S. Department of, 249, 318, 501, 511, 1547*n*, 1591–1592, 1798*n*
Commission on Technical Cooperation for Africa, activities and meetings of, 47–48, 95–96, 250–251
Committee for the Liberation of North Africa, 161
Commodity Credit Corporation, U.S., 1124, 1533, 1820, 1829
Commonwealth, British, 10, 18, 49, 53, 57–58, 61, 81, 96, 98, 268, 275, 285, 287, 309, 321, 369, 957, 962, 964, 1063, 1065, 1090, 1097, 1113, 1186, 1202, 1308, 1383, 1386, 1400, 1499, 1556–1557, 1574, 1607, 1614, 1625, 1779, 1824, 1856
Communist activities. *See under individual areas and countries.*
Conference of Berlin, *1885*, 319
Congress of Peoples Against Imperialist Oppression, 41–42, 67
Congress, U.S.:
  Address by Emperor Haile Selassie of Ethiopia, 454
  Appropriations, 458–460, 1572
  Defense program, 1653
  Foreign aid programs, 327, 472, 474–476, 479–480, 544, 549, 552, 560, 565, 572, 587*n*, 593, 596, 1057–1058, 1121, 1175, 1444, 1462, 1534–1535, 1565, 1569, 1583, 1634*n*, 1635–1636, 1638, 1641–1643, 1646–1648, 1650–1651, 1653–1657, 1669, 1675–1677, 1682–1683, 1692, 1694*n*, 1699, 1703, 1707, 1736, 1772, 1819–1820, 1824, 1826, 1829, 1850, 1860, 1865, 1867
  Hickenlooper amendment to Foreign Aid Act, 226*n*
  Indochina situation, 631
Congress, U.S.—Continued
  Joint Resolution *183* regarding independence of Gold Coast and Nigeria, 293–294
  Military assistance programs, 408
  Moroccan trade problem, 225–226
  Mutual Security Act, 1573
  Senate, 225, 335*n*, 429, 541*n*, 621, 1871
  Surplus property arrangements, 1685–1687, 1691
  Treaty of Amity with Ethiopia, question of ratification of, 431
  Tunisia, situation in, 744
Conombo, Joseph, 243
Constantz, J., 1802
Cook, Charles D., 828*n*, 829
Coomaraswamy, Rajendra, 1522, 1531, 1534–1537
Coordinating Committee on Trade Controls (COCOM), 1551
Cootes, Merritt N., 625*n*
Copper, 73–74, 88, 105, 107, 298–301, 308–309, 318
Cordier, Andrew W., 670*n*, 1188*n*, 1247, 1347–1350, 1356
Corea, Sir Claude, 1499–1500, 1502, 1505–1506, 1507*n*, 1508–1509, 1511–1512, 1518, 1526, 1528–1530, 1532, 1579–1580, 1582–1583, 1585–1586, 1608, 1620–1621
Corfitzen, W.E., 380
Cornelis, Henri, 414–416
Cornut-Gentille, Bernard, 258, 260
Corrigan, Robert F., 70*n*, 238–244
Corry, Andrew V., 92, 1706, 1719, 1727–1730, 1747, 1753, 1755–1756
Corundum, 107, 519, 954
Cory, Thomas J., 708*n*, 710–712
Costa Rica, 607, 849, 1019, 1047, 1054
Cott, Michel, 436
Cottrell, Sterling J., 853*n*
Council on Scientific Cooperation in Africa, 47
Cowen, Myron W., 410, 1639
Crain, Mary G., 189–190
Crawford, Sir Frederick, 367*n*
Crawley, D.J.C., 336, 339–342, 1858–1859
Cripps, Lady Stafford, 1312
Cripps, Peggy, 240
Cripps, Sir Stafford, 240
Crowe, Philip K., 1118*n*, 1130–1136, 1580–1585, 1597–1625, 1628, 1631–1632
Cuba, 607, 849, 1007, 1041, 1043, 1047, 1056*n*, 1522–1523
Cuff, H., 111, 117
Cumming, Duncan Cameron, 420–423, 425–426
Cutler, Gen. Robert, 97, 513–514, 1126–1128, 1147–1148, 1150, 1481*n*
Cyprus, 793–794
Cyr, Leo G., 24, 65*n*, 102*n*, 189, 224–227, 331–333, 336, 338, 456, 458, 461, 464, 467, 472, 489*n*, 494, 512, 516–517, 534, 536*n*, 540*n*, 564*n*, 573*n*, 574*n*, 575*n*, 604*n*, 606*n*, 635*n*, 639, 703*n*,

Cyr, Leo G.—Continued
727*n*, 758–763, 772*n*, 784*n*, 791*n*, 795*n*, 853*n*
Czechoslovakia, 440, 441*n*, 1153, 1418, 1436, 1489

Dahomey, 85*n*, 239*n*, 253, 260
Damon, G. Huntington, 414–416
Dane, Louis W., 1404*n*
Daniel, Robert P., 531*n*
Danquah, J. B., 42, 67, 69, 268
D'Arboussier, Gabriel, 42, 122, 240
Daridan, Jean, 642, 745–747, 781, 795–796, 798–800, 801*n*
Das, Durgha, 1779
Daspit, Alexander B., 419*n*, 1430–1433
Daud, Mohammad Khan, 1392, 1402*n*, 1405, 1407*n*, 1412, 1424, 1431, 1434, 1470, 1478*n*, 1479, 1481, 1485–1490, 1492
Davenport, C. A., 306, 308–309
David, Wilmot A., 111*n*, 522, 534
Davies, H. O., 355
Davis, Adm. Arthur C., 525*n*, 1605–1606
Davis, Col. John J., 4*n*, 5, 905*n*
Davis, John Warren, 484*n*, 485, 532*n*
Davis, Lt. Col. Thomas R., 419*n*, 445
Davit, Alexander J., 502–505, 522–525
Dawson, Don, 1247
Dayal, Rajeshwar, 712, 740, 924–925, 975, 1019, 1172, 1192, 1341, 1343, 1347–1349, 1355
Deane, Philip, 1610, 1613
DeBruyne, Edgar, 32
Dechert, W. C., 281–282, 364
DeCourcel, Geoffroy Chodron, 873–875, 888, 893
Deeb, Ali, 584
De Ensor, Michael, 294–295
Defense Materials Procurement Agency, 28, 280, 301–304, 306
Defense, U.S. Department of:
Africa, U.S. interests in, 105–107
African transportation systems, development of, 104
Belgian Congo defense requirements, 407
Ethiopia, U.S. military assistance for, 419–420, 423, 426–427, 430–432, 434, 442–443, 445–446, 448–449, 451–452, 467, 471, 480–481
India, U.S. relations with, 1635, 1639, 1660, 1665, 1681, 1769
Interagency Committee on Agricultural Surplus Disposal, member of, 1798*n*
Kashmir dispute, 1188, 1232–1233, 1350
Liberia:
Roberts Field, U.S. Air Force support and maintenance, 488–489, 497, 501–502, 508–509, 511
U.S. military assistance, 527
U.S. Military Mission in, 515*n*, 523*n*
Defense, U.S. Department of—Cont.
Libya, negotiations regarding U.S. military and naval base rights in, 545*n*, 557–558, 564–566, 568*n*, 578*n*, 592, 598
Operating Committee, member of, 1547
Pakistan, U.S. military assistance for, 1384, 1856, 1871
Sri Lanka, U.S. military base rights in, question of, 1524, 1572–1573, 1587, 1598, 1602–1606, 1612, 1615*n*, 1626, 1629, 1631*n*
Union of South Africa, U.S. relations with, 930
DeFonseka, Deepal Susanta, 1538, 1560, 1562, 1569, 1594–1595
DeGaulle, Charles, 240*n*, 677, 819
de Hauteclocque. *See* Hauteclocque, Jean de, Comte.
Dehoux, Emil, 31–32
De Laive, Louis, 1447, 1451, 1463
Delaney, Peter H., 1502–1503, 1526*n*, 1641*n*, 1784*n*, 1797*n*, 1822–1824, 1826*n*
Del Castillo y Campos, Critobal, 199*n*
Delta Line, 286*n*
Demaghlatrous, Larbi, 388
Democratic African Rally Party, 79
Denmark, 829, 976–977, 1025*n*, 1050, 1749, 1757, 1759
Dennis, William E., 522, 524–525
Dennison, Ellery, 489–491
Denny, Harmar, 1802–1803, 1815–1816
Dequae, André J.P.A., 31
De Quirielle, François, 120, 247, 252
Deressa, Yilma, 451–452, 456–461, 463, 466, 470, 472–473, 479–481
Desai, C. C., 1131, 1604, 1607
Deshmukh, Sir Chintaman, 1319, 1326, 1644–1645, 1675, 1697–1700, 1704, 1711, 1715–1716
De Soyza, Gunasena, 1609*n*, 1628, 1632
Detwiler, Louis E., 277*n*, 278
Devers, Gen. Jacob J., 1162, 1170, 1172, 1188, 1191, 1194–1195, 1204, 1206, 1208–1210, 1217, 1271
DeVilliers, I.E.A., 39*n*
DeWaal, Meyer, 920–921
DeWilde, Louis, 32
Diallo, Abdoulaye, 42
Diallo, Yacine, 260
Diamonds, 73, 88, 99, 103, 105, 107, 954
Diawadou, Barry, 258, 260
Dillon, C. Douglas, 184–188, 394–395, 397–398, 400, 614–616, 619–624, 626–627, 631–634, 640–641, 644–645, 647–648, 659–660, 662–663, 862–864, 879–880, 882–883, 886–891, 893–895, 899–901
Diwakar, R.R., 1640
Dixon, Ben, 467, 481*n*, 522
Dixon, Sir Owen, 1166, 1168, 1170, 1192, 1219, 1223, 1240, 1243, 1253, 1258, 1262, 1274–1275, 1277, 1290–1291, 1294, 1301, 1308, 1312
Djellouli, Aziz, 884, 886–887, 893
Dodds-Parker, Arthur D., 1621

Donges, Johannes M., 965–966
Donovan, William J., 1715
Dorman, John, 147, 615–618, 622, 624–625, 630–631
Dorr, Bernard, 144*n*
Dorros, Leon G., 403–405
Dorsz, Edmund J., 346–364, 378–381
Douglas, Lewis W., 335
Douglas, William, 656
Dow, E.A., 1581
Dow, Sir Hugh, 368*n*
Doyle, Brig. Gen. John P., 91*n*, 108, 111
Drew, William J., 245–247
Dreyfus, Louis G., Jr., 1452
Drumright, Everett F., 1368–1370, 1660–1661, 1695–1696, 1702, 1706
Dudley, Edward R., 13–21, 483–485, 488, 492, 494*n*, 498, 501, 505–507, 509–510, 517*n*
Dulles, Allen, 1149–1150, 1481*n*
Dulles, John Foster:
  Advisory Commission on Educational Exchange, 379
  Afghanistan, U.S. policy toward and relations with, 1148, 1395, 1427, 1464–1466, 1470, 1479, 1480–1481, 1496–1497, 1498*n*
  Africa South of the Sahara, U.S. policy toward, 38
  African Defense Facilities Conference at Dakar, 90, 108*n*, 115*n*
  Belgian Congo, U.S. policy toward, 410–411
  Central African Federation, U.S. policy toward, 326–327, 337–338
  Colonial question, 56, 64, 612, 642
  Dulles–Eden communiqué, *Apr. 13, 1954*, 1608, 1612
  Ethiopia, U.S. policy toward and relations with, 437–439, 450*n*, 454, 456, 469–473, 476, 478, 481
  Foreign Ministers meeting, *July 10–14, 1953*, 43*n*
  French North Africa, U.S. policy toward, 129, 142, 144, 181–184, 881
  Gold Coast, U.S. policy toward, 293–294
  India, U.S. policy toward and relations with, 1684, 1691–1694, 1697, 1702–1703, 1707, 1709–1710, 1712, 1714–1715, 1717–1718, 1722, 1724–1726, 1728–1729, 1732–1735, 1737, 1751–1753, 1764–1765, 1773–1777, 1779, 1780*n*, 1786, 1790–1791, 1794, 1802, 1804–1805, 1808–1809, 1811–1812
  Indochina, U.S. policy toward, 1145, 1608
  Kashmir dispute, 1312–1314, 1316–1318, 1320, 1321*n*, 1322, 1324, 1330–1331, 1333–1335, 1337–1338, 1346, 1349–1350, 1352, 1354–1358, 1363–1364
  Liberia, U.S. policy toward and relations with, 511–512, 533–537
  Libya, U.S. policy toward and relations with, 573–576, 590–596, 598
Dulles, John Foster—Continued
  Morocco, U.S. policy toward, 148, 615–616, 627–632, 635, 636*n*, 649, 654–659, 662, 898
  Pakistan, U.S. policy toward and relations with, 1406*n*, 1408–1409, 1824–1828, 1833, 1835–1839, 1848, 1850, 1857–1858, 1860, 1865–1867, 1868–1869, 1871
  Pushtunistan dispute, 1387–1388, 1396–1397, 1401–1402, 1405–1406, 1408–1409, 1416, 1420–1422, 1427–1428, 1430, 1433–1437, 1441–1443
  Secretary of State, 364*n*
  Southeast Asia Collective Defense Treaty, 1131, 1864*n*
  Speech of *Mar. 29, 1954*, 1131
  Sri Lanka, U.S. policy toward and relations with, 1566–1567, 1582–1583, 1592–1593, 1596, 1626, 1628–1629, 1631–1632
  Statement made to opening session of Southeast Asia Conference at Manila, *Sept. 6, 1954*, 124
  Tangier, U.S. policy toward, 205–206, 208, 213–218, 222–223, 230–232
  Tunisia, U.S. policy toward, 654, 866, 869, 898–899
  Union of South Africa, U.S. policy toward and relations with, 995–998, 1000–1001, 1005, 1007*n*, 1009*n*, 1011*n*, 1018–1019, 1021, 1023, 1025–1026, 1031, 1046–1047, 1052–1053, 1055–1056
  Visits to:
    Near and Middle East, 448, 573–574, 612, 866, 1828–1829
    South Asia, 1072, 1389, 1395, 1407, 1694–1695, 1725
Dumarçay, Jacques R., 563–564, 589
Duncan, Henry B., 490–491
Dunlop, Col. W. W., 538*n*
Dunn, James C., 699–702, 723–724, 742–745, 762, 766, 773–778, 785–786, 811–813, 815, 818–819, 821, 826–828, 834–837
Durand, Sir Henry Mortimer, 1387, 1404
Durand Line. *See under* Pushtunistan dispute between Afghanistan and Pakistan.
Durman, James J., 236, 285*n*, 296*n*, 324*n*, 326*n*, 336, 337*n*, 339, 341
Duval, John, 489–492

Easley, Col. Fred O., Jr., 181
Eboué, Felix, 240
Economic Cooperation Administration, U.S. (*see also* Foreign Operations Administration *and* Mutual Security Agency), 1–2, 25, 27, 104, 281–282, 299–302, 308, 345*n*, 1680, 1688
Ecuador, 607, 849, 1043, 1047
Eden, Sir Anthony, 793–794, 845–847, 920, 1131, 1135, 1608, 1612, 1848
Edgerton, Glen E., 1466

Egypt (*see also under* United Nations General Assembly: Country positions):
British policy toward and position in, 543, 562, 571
French North Africa, policy toward, 181, 183*n*
Libya, relations with, 142, 170, 575, 577, 584–585
Pakistan, relations with, 1177
Political situation in, 128, 130, 158, 384, 571, 585, 605, 619, 684, 688
Religious freedom in, 1365
Soviet policy toward, 1172
Suez Canal dispute, 65, 156, 332, 577, 583, 655, 731–732, 953, 955, 1491
Uganda, influence in, 378
U.S. military assistance, question of, 1841
Visit by Secretary of State Dulles, 1072
Eire, 1440
Eisenhower, Dwight D.:
Afghanistan, U.S. policy toward and relations with, 1434–1435, 1497
Africa South of the Sahara, U.S. policy toward, 43, 51–52
Agricultural surplus disposal legislation, 1798*n*
Atomic energy proposal, 1029
Battle Act, report to Congress on, 1717
Correspondence with:
Emperor Haile Selassie of Ethiopia, 438
Governor of Southern Rhodesia, 326, 334*n*, 336
President Tubman of Liberia, 533
Prime Minister Nehru of India, 1144, 1735–1739, 1786–1787, 1839*n*
Douglas report on dollar-sterling relationships, 335*n*
Ethiopia, U.S. policy toward and relations with, 449, 451, 454–455, 462, 470*n*, 471–472, 475, 478
French North Africa, U.S. policy toward, 170*n*
Gold Coast, U.S. policy toward, 293*n*
India, U.S. policy toward and relations with, 1693, 1712, 1731, 1735–1737, 1739, 1762–1764, 1771–1773, 1778–1780, 1786–1787, 1794, 1799
Kashmir dispute, 1314–1317, 1321*n*, 1842
Liberia, U.S. policy toward and relations with, 497, 520–521, 523*n*, 525–526, 533
Libya, U.S. policy toward and relations with, 573–575, 590–591
Pakistan, U.S. policy toward and relations with, 1406*n*, 1736–1738, 1824, 1827–1829, 1838–1839, 1867, 1872, 1874
President-elect, 847
Pushtunistan dispute, 1416, 1427
Eisenhower, Dwight D.—Continued
South Asia, U.S. policy toward, 1089*n*, 1126–1129, 1136, 1147, 1149–1151, 1411–1412, 1471
Speech before the American Society of Newspaper Editors, *Apr. 16, 1953*, 997
Sri Lanka, U.S. policy toward and relations with, 1615, 1626, 1628, 1631
U.S. foreign assistance programs, 1057–1058
Elizabeth II, Queen of England, 998*n*
Elliot, Col. Frank, 423*n*
El Salvador, 829, 983, 1043, 1047
Elting, Howard, Jr., 603*n*, 680*n*, 688*n*, 693*n*, 703*n*, 708*n*, 717*n*, 725*n*, 778*n*, 798*n*, 807*n*, 820*n*, 822
Emmerson, John K., 1324–1325, 1338, 1360–1362, 1417–1419, 1425–1426, 1846–1847, 1871–1874
Engert, Cornelius H. Van, 1219
Entezam, Nasrollah, 843, 1259
Erasmus, François Christiaan, 930, 965–966
Eritrea (*see also under* Ethiopia), 86, 89, 100–101, 421–422
Ernst, David H., 1742–1745, 1773*n*, 1790*n*, 1804*n*, 1808*n*, 1815–1817
Erskine, Gen. Sir George, 367
Espy, James, 1118*n*, 1130–1136
Ethiopia (*see also under* United Nations General Assembly: Country positions *and under* United Nations Security Council: Country positions):
Arab states' policy toward, 441
Commission on Technical Cooperation for Africa, proposed inclusion in, 96
Eritrea, federation with, 86, 418, 420–422, 424–426, 428–429, 432, 436–437, 447, 460, 462–464, 476
Export-Import Bank loan, 420, 466
Franco-Ethiopian railway, problems concerning, 462–463, 470
Independence of, 76
International Bank for Reconstruction and Development loan, 465–466, 473–474
Italy, relations with, 423, 436
Korean conflict, participation in, 418, 423, 433, 436, 440–441, 443–444
Population, 89
Sinclair Oil Company concession, 440
Technical assistance program for, 2
Trans-World Airlines contract to run Ethiopian Air Lines, 440–441, 494
U.S. economic and technical assistance, 459–479
U.S. military assistance, 418–420, 423–424, 431, 436–454, 456, 467–469, 471, 474–477, 479–481
U.S. military base rights in Eritrea, negotiations concerning, 427–430,

213-752 O - 83 Vol XI - Pt. 2 - 53

Ethiopia—Continued
U.S. military base rights—Continued 433–444, 447–450, 456, 468, 472, 475–476
U.S. military training mission, 75, 431–437, 439, 441, 443, 450, 452–453
Visit of Emperor Haile Selassie to the United States, 418, 451–456, 458, 462, 465, 469–471
Europe, 170, 524
European Defense Community, 97, 648, 730, 742, 752*n*, 826, 839, 883, 892, 1129
European Payments Union, 912–913, 915, 932, 1820
European Recovery Program (Marshall Program), 25, 1675–1676
Evans, Barbara, 717–718, 1464*n*
Evans, John W., 300, 302
Export-Import Bank of Washington, 25, 29, 40, 277, 279–280, 301–303, 343, 345*n*, 420, 465–467, 469, 473–474, 478–479, 484, 489–492, 524–526, 528–529, 533–535, 537*n*, 904*n*, 918, 932–933, 996, 1101, 1114, 1116–1117, 1141, 1146, 1150, 1152, 1156, 1158*n*, 1379, 1407, 1440, 1449, 1461–1462, 1466–1470, 1472–1474, 1488, 1490, 1819–1821
Exter, John, 1500, 1512, 1519–1520, 1522

Fabregat, Enrique R., 1054
Faisal (Feisal) II, King of Iraq, 643, 881, 1837
Far East, 155, 168, 234, 332, 510, 1065, 1070, 1088, 1097, 1115, 1129, 1389, 1403*n*, 1513, 1683, 1842
Fares, Abderrahmane, 401–402
Farouk I, King of Egypt, 684
Farrell Lines, 286*n*, 484*n*, 520*n*
Farwell, Albert E., 531*n*
al-Fassi, Allal, 135, 643, 745, 881–882
Faure, Edgar, 623, 673*n*, 677, 684*n*, 686*n*, 729, 736
Fechteler, Adm. William M., 601, 752
Federal Bureau of Investigation, U.S., 71*n*
Federal Council of Churches, 323
Federal Reserve system, 1798*n*
Federation of Associations of Belgian Congo Colonists, 31–32
Feisal. *See* Faisal.
Feld, Nicholas, 1–4, 21, 26, 38–40, 43*n*, 48–50, 51*n*, 52*n*, 65*n*, 111*n*, 120, 236–237, 247, 252, 285*n*, 300, 303–304, 313*n*, 315*n*, 324*n*, 326*n*, 331*n*, 339–342, 482–485, 489, 492–495, 502–503
Ferguson, C. Vaughan, Jr., 70–71, 91*n*, 108–114, 125–126, 252–260
Ferguson, John H., 685*n*, 758, 761
Ferro, Maurice, 825, 827–828
Finletter, Thomas K., 492*n*, 500, 1291
Firestone, Harvey, 520–521
Firestone Tire and Rubber Company (*see also* Firestone Plantation Company *under* Liberia), 482, 484, 486, 494–495, 510, 933
First Boston Corporation, 534–535
Fischer, H. H., 1661–1663
Fisher, Adrian S., 601–603, 937–938, 940, 942, 951, 963, 966, 970*n*, 971*n*
Fisher, William D., 401–402, 631*n*, 657*n*
FitzGerald, Dennis A., 298, 301
Fitzgerald, Joseph H., 65
Fleming, Robert I., 286–290, 292
Flett, Martin, 343
Floyd, William S., 1797
Fluker, J. Robert, 1380, 1385, 1476–1478, 1502, 1524, 1526*n*, 1531–1532, 1557–1559, 1561, 1641*n*, 1691*n*, 1720*n*, 1722*n*, 1732*n*, 1767*n*, 1784*n*, 1792*n*, 1827*n*, 1849–1851, 1857*n*
Ford Company, 933
Ford Foundation, 1–4, 460, 1315, 1650
Ford, Henry H., 285*n*, 639
Ford, John W., 540*n*
Foreign Economic Administration, U.S., 24
Foreign Operations Administration, U.S. (*see also* Economic Cooperation Administration *and* Mutual Security Agency), 52, 104–105, 107, 250–251, 343, 345*n*, 379–381, 458–460, 466, 471, 473–474, 478–480, 527–528, 531–532, 535, 537, 592, 1028, 1141–1143, 1150, 1160–1161, 1407, 1707, 1718, 1721, 1733, 1751, 1764, 1768, 1796–1797, 1798*n*, 1867, 1871, 1874
Formosa. *See* China, Republic of.
Forsyth, Douglas D., 921, 922*n*, 926, 966, 1036–1037
Foster, John C., 1464
Foster, Vice Adm. Paul F., 1796
Fouchet, Christian, 186, 645, 884, 886–888, 890
Fouchet, Jacques, 893–894, 895, 897
Fourier-Ruelle, Pierre, 871–873, 887
Fowler, Robert W. D., 1164, 1186, 1225, 1266
France (*see also French headings and France and French subheadings under individual countries and subjects*):
Afghanistan, relations with, 1496
African Defence Facilities Conference at Dakar, participation in, 90–91, 94–95, 109–110, 112–115, 117, 120, 125
Colonial policies, 120–122
Commission on Technical Cooperation for Africa, member of, 250
Communist activities in, 161, 1675
Germany, policy toward, 833
India, relations with, 1740, 1757, 1759
Liberia, relations with, 510
Libya, policy toward, 140–141, 152, 169–170, 187–188, 557*n*, 560–562, 564*n*, 565*n*, 589
Libyan policy toward, 542–543, 555, 563

France—Continued
Southeast Asia Treaty Organization, member of, 1864*n*
Soviet policy toward, 161
Sri Lanka, relations with, 1521, 1544*n*, 1549, 1551, 1586–1587, 1590
U.S. economic and financial assistance, 28
U.S. policy toward, 171, 524
Francis, Clarence, 1798
Franco, Generalissimo Francisco, 138, 194, 226, 638, 656, 730
Frechtling, Louis E., 456, 461, 472, 481*n*, 1822, 1825*n*
French Cameroons, 81–82, 89–90, 121*n*, 123, 245–247
French Equatorial Africa (Gabon, Middle (Moyen) Congo, Ubangi-Shari, Chad), 34, 37, 74–75, 79, 85, 89–90, 104, 123, 233, 245, 248, 412, 747
French Foreign Legion, 144
French Guinea, 85*n*, 258–260
French North Africa (Algeria, Morocco, Tunisia):
Egyptian policy toward, 181, 183*n*
French policies toward, 2, 62–63, 97, 149, 156–160, 171–172, 175–177, 181–187, 624, 632, 637–638, 687–688, 700, 716, 736, 745–747, 751, 753–754, 765–767, 769–771, 787, 814–815, 822, 833, 836–837, 841–842, 946, 1087
Political situation, 3, 123, 157, 160–161, 171–172, 174–179, 235, 390, 731
Population, 172
Strategic importance of, 171, 173–175, 177, 179, 753, 789, 832
U.S. air and naval bases in (*see also under* Morocco), 105–106, 173, 768
U.S. policy toward, 97, 102, 106, 127–131, 170–184, 769–770, 802–803, 825–826, 832, 835–839, 841
French Somaliland, 89, 233
French Sudan, 85, 259
French Togoland, 81–82, 89–90, 121, 123, 233, 235–237, 253–257
French Union, 37, 57, 61, 85, 120–122, 160, 165, 175, 235, 243, 393, 401, 740–741, 744, 750, 765
French West Africa (Dahomey, French Guinea, French Sudan, Ivory Coast, Mauritania, Niger, Senegal, Upper Volta), 50, 75, 79, 85, 88–90, 96, 104, 122, 233–235, 238–244, 747
Frigidaire, 933
Frisbie, Bryan R., 4*n*, 6, 9, 22
Fulbright Program, 460, 1141
Fulbright, William J., 591

Gabon, 85*n*
Gadgil, N.V., 1640
Gallman, Waldemar J., 4–8, 905–906, 908, 911*n*, 920–922, 924–925, 927, 928*n*, 931, 937, 950, 952, 983–995, 997–998, 1002–1005, 1014–1015, 1032–1039
Galsworthy, A.N., 117
Gambia, 89–90
Gandhi, Mahatma, 360, 704–705, 941
Gandhi, Manilal, 941
Garbay, Gen. Pierre, 125, 697, 707, 861
Gardiner, Arthur Z., 1693*n*
Gardner, James R., 1825*n*
Garner, Joseph J.S., 1211, 1312–1313
Gatch, John N., Jr., 564
Gatewood, Richard D., 424–425, 440, 442*n*
Gbedemah, K.A., 68
General Electric, 492
General Motors, 933
General Services Administration, U.S., 1500–1501, 1506–1512, 1517–1519, 1524, 1526, 1530–1532, 1535, 1537, 1582, 1733–1735, 1740–1741, 1751–1752, 1754–1756, 1764–1765, 1798*n*
General Tire and Rubber Company, 933
Geoghegan, Kathryn M., 334–335
Gerig, O. Benjamin, 312, 829, 925–926, 942, 1045–1046
Germany, Federal Republic of, 833, 1273, 1487, 1496, 1551, 1590, 1664, 1740, 1820
Gerold, E. F., 1790*n*
Ghacham, Dr., 876, 885
Ghafar Khan, Khan Abdul, 1426
Ghazi, Shah Mahmud (Mahmoud), 1367, 1382–1383, 1386, 1390, 1402*n*, 1412, 1450, 1456, 1462*n*, 1470
Ghulam, Mohammed, 1079, 1205, 1208, 1220, 1319–1320, 1830–1834, 1836–1837, 1864
Gifford, Walter S., 558–562, 1556–1557
Gillette, Guy M., 54*n*
Giri, V. V., 1640
Gisborne, Guy, 334
Glantzberg, Maj. Gen. Frederic E., 652
el-Glaoui, Thami, 135, 147, 159, 389, 613–615, 617–624, 650, 652
Gleason, S. Everett, 1126*n*, 1147*n*, 1435, 1471
Glendinning, C. Dillon, 1472–1474
Goble, L. H., 270
Godding, Robert-Georges, 32–33, 35–36
Gold Coast:
British policy toward, 235, 261–262
British Togoland, proposed union with, 122
Communist activities in, 287–292
Conference of West African Nationalists, proposed, 41–43, 67–71
Convention People's Party, 42
Defense and security of, 90, 112
Diseases in, 96
Independence of, 293–294
Labor movement, 286–293
Political situation, 49, 61, 66, 73, 78, 80, 82, 87, 96, 237, 243, 261–264, 268, 287–288, 344
Population, 89
Radio stations, 14, 17
Strategic raw materials in, 73–74, 88, 1067

Gold Coast—Continued
Technical assistance program for, 2–3, 25*n*, 26
U.N. Trusteeship Council visit to, 123
U.S. Consulate General, establishment of, 53, 285–286
U.S. economic assistance, 283–284, 286
U.S. policy toward, 267, 277–278, 285–286, 293–294
Voice of America program for, 15
Volta River development project, 277–284, 286
Gonzalez, César, 738–742, 748, 750
Goodkind, Louis W., 1592, 1703*n*
Goodyear Tire Company, 933
Goonetilleke, Sir Oliver, 1060, 1134, 1499, 1515, 1522–1523, 1526–1538, 1540, 1542, 1545, 1553, 1555, 1557, 1559–1560, 1564, 1572*n*, 1578, 1579–1582, 1584, 1594–1595, 1600–1601, 1607–1609, 1612–1614
Gordon, Marc, 459, 462
Gordon, Robert L., 26, 300
Gordon-Walker, P.C., 244
Gorlitz, Samuel J., 247, 250, 300–303, 482
Grafftey-Smith, A. P., 343
Graham, Frank (*see also* U.N. Representative for India and Pakistan *under* Kashmir dispute), 1058, 1162–1173, 1175–1262, 1264–1269, 1271–1272, 1289–1290, 1292–1296, 1299–1301, 1303–1308, 1311, 1313–1316, 1322, 1339–1340, 1342, 1345, 1358, 1362–1363, 1821
Grant, J. Kennedy, 324
Graphite, 73, 88, 105, 1063, 1066–1068, 1097
Greece, 440, 442*n*, 480, 585, 670, 703, 710–712, 1072, 1637, 1675–1676, 1749
Green, James F., 971*n*
Green, Joseph C., 566–567
Green, Theodore F., 828, 830, 946*n*
Grellet, Jacques R. V., 788, 854–859
Griffin, J. B., 373
Griffiths, James, 329–330, 370
Grimes, Rudolph, 522
Gros, André, 214
Gross, Ernest A., 129, 540, 681–684, 689–690, 702–703, 710, 726*n*, 728–729, 734, 736–737, 739–742, 748–751, 771–845, 946*n*, 947, 966, 1172, 1185–1186, 1188–1189, 1192, 1194, 1199, 1235, 1247, 1251, 1271, 1281–1282, 1295, 1297
Groves, Jack, 23
Guatemala, 976*n*, 1017*n*, 1053–1054, 1149, 1617
Guest, Sir Ernest Lucas, 324
Gufler, Bernard A., 1499–1500, 1514*n*, 1518–1524, 1535–1540, 1561–1562, 1564
Guillaume, Gen. Augustin, 128, 604–606, 608, 610–611, 613–617, 619–621, 623–625, 627, 636–637, 639–641, 843, 860*n*
Gunaratna, W. D., 1506, 1508–1510
Gunewardene, R.S.S., 1628
Gunther, John, 605
Gurmani, Mustaq Ahmad, 1197, 1374–1375
Habibullah, Amir, 1404
Habtewold, Akililou, 428–430, 433–450, 453–457, 460–480
Hached, Farhat, 133, 142, 665, 789–790, 796, 800, 852–853, 860, 866, 872
Hadj, Messali, 137
Hadjouj, Mohamed, 877*n*, 891–892
Hadsel, Fred L., 43*n*, 795*n*
el-Hafedi, Hassan. *See* Mohammed ben Moulay.
Hafid, Moulay, 613
Hahn, Cedric, 1015–1016
Haile Selassie, Emperor of Ethiopia, 418, 419*n*, 426, 429–432, 434–435, 437–438, 440, 443–444, 447–449, 451–456, 458, 460, 462, 465, 469–471, 473–481
Hailey, Lord, 38–39, 330
Haiti, 459, 635, 740, 976*n*, 1017*n*, 1022, 1043, 1047, 1054
Halaby, Najeeb, E., 515–516
Halim, Sayyid Mustafa ben, 580, 584, 586*n*, 587–597
Hall, John A., 902*n*
Hall, Joy V., 520*n*
Hamilton, J. B., 467–468, 1728*n*, 1732*n*, 1751*n*, 1755*n*, 1764*n*
Hammarskjold, Dag, 1343, 1348–1351, 1354–1356
Hammerton, Albert, 288–290
Hammond, John Hays, 319
Hancock, Sir Keith, 374–376
Hancock, Robert A., 595*n*
Hannah, Col. Thomas, 456, 458, 461, 467, 472, 481*n*
Hansen, Kenneth R., 1592, 1732
Hanumanthaiya, K., 1731
Hardesty, Marion N., 1825*n*
Harriman, W. Averell, 423*n*, 497, 1464, 1502, 1564*n*, 1646–1648, 1652*n*, 1653–1657, 1677
Harrison, Agatha, 1645
Haselton, Norris S., 538*n*
Hashim Khan, Sardar Mohammad, 1390, 1392–1393
Hassan, Moulay, 605, 615, 621*n*, 643, 881
Hassouna, Mohammed Abdel-Khalek al, 654–657
Hastie, William, 16
Hauteclocque, Jean de, Comte, 129–130, 673–674, 676–677, 686–687, 692, 694–702, 705–707, 713*n*, 718–719, 722, 724, 736, 745, 754–756, 759–760, 762–764, 778, 780, 783–785, 787*n*, 788–790, 792, 795, 799, 803, 855–861, 865–868, 879
Havenga, Nicolaas Christiaan, 920, 927–928, 934, 958, 965
Hayes, William J., 1470*n*, 1472
Heinz, H. J., 1863, 1866–1868, 1870–1871
Hemba, Alton W., 1633
Hemingford, Lord, 330
Hendershot, Clarence P., 728*n*
Henderson, Loy W., 1118*n*, 1397, 1675

Hensel, H. Struve, 523*n*
Herriot, Edouard, 839–840
Hewitt, Warren E., 680*n*, 851*n*
Hickenlooper, Bourke B., 413–414
Hickerson, John D., 26, 312, 609*n*, 685*n*, 693*n*, 703*n*, 717*n*, 719*n*, 720*n*, 721*n*, 724*n*, 725*n*, 727*n*, 735, 738*n*, 751*n*, 758, 761, 763, 778, 786*n*, 791*n*, 795*n*, 810*n*, 813*n*, 820*n*, 829, 937, 940–943, 966, 971*n*, 974, 995*n*, 1187–1189, 1196*n*, 1232–1233, 1247–1248, 1251–1259, 1271–1272, 1304–1306, 1314–1315, 1821
Hilaly, Agha, 1864
Hildreth, Horace, 1118*n*, 1327–1329, 1331–1338, 1340–1341, 1345–1347, 1357–1359, 1429–1433, 1474, 1830–1832, 1837, 1851–1856, 1860–1865
Hill, C. R., 502
Hinke, Frederick H., 517*n*, 529*n*, 532
Hipps, Col. William G., 513–514
Hitler, Adolf, 44
Hoffman, Paul, 1315–1321, 1670, 1675
Hofmeyr, Jan Hendrik, 998
Holmes, Julius C., 793–794, 1180–1181
Holmes, Oliver Wendell, 54*n*
Honduras, 607, 661, 740, 849, 976*n*, 1043, 1048
Hong Kong, 1550, 1740
Hoover, Herbert C., Jr., 533*n*, 1042–1045, 1362–1363, 1437–1438, 1497–1498, 1771, 1792, 1795, 1802, 1867–1868, 1869–1870
Hoover, John P., 313–323, 333–336
Hope, A. Guy, 1591–1594
Hoppenot, Henri, 603, 636, 702, 711, 757–758, 818, 823–824, 838–839, 843–846
Horner, John Evarts, 1365–1368, 1383*n*, 1447–1454, 1456–1461
Houghton, D. Hobart, 1015–1016
Houphouet-Boigny, Félix, 70, 122, 240, 243, 247*n*, 254
Howard, Harry N., 609*n*
Howard, John, 1, 3
Huddleston, Trevor, 1015
Huggins, Edwin V., 544
Huggins, Sir Godfrey M., 306, 322*n*, 324, 327, 330, 334, 336
Hughes, Adm. Francis M., 426
Hughes, Morris N., 395–396, 870–873, 878–879, 883–885, 887, 891–892, 895–897
Hull, Gen. John E., 438–439, 441–442
Hulley, Benjamin M., 47*n*, 264*n*
Humphrey, George M., 1126–1127, 1147, 1149–1150
Huq, Fazlul, 1846
Husain, M. Azim, 1197, 1217, 1366, 1771
Hussein, King of Jordan, 643, 881
Hyde, James N., 681–682, 829, 1194, 1295
Hyderabad, 671–672

Ibn Saud, Abdul Aziz, King of Saudi Arabia, 1832–1833
Iceland, 976–977
Idris I. *See* al-Sanussi, Sayyid Idris.
India (*see also under* United Nations General Assembly: Country positions *and under* United Nations Security Council: Country positions *and Indian subheadings under individual countries*):
  Afghanistan, relations with, 1118, 1373–1374, 1379, 1420, 1431, 1433, 1478, 1487, 1495
  Agreements with the United States:
    Agreement regarding duty-free entry and free inland transportation of relief supplies and packages, *Mar. 26, 1952*, 1638, 1664
    Agreement regarding duty-free entry and free inland transportation of relief supplies and packages, *Aug. 27, 1952*, 1664
    Agreement regarding the establishment of a United States Educational Foundation in India, *May 29, June 24, 1953*, 1695
    Copyright agreement, *Oct. 21, 1954*, 1771
    Parcel post agreement, *July 29, 1954*, 1771
    Technical cooperation agreement, *Jan. 5, 1952*, 1175, 1633, 1647, 1700–1701, 1713–1714, 1752
  Anti-American attitudes, 1724, 1732
  Beryl sales to the United States, 1097, 1767–1770, 1792–1793, 1795–1797
  British policy toward and relations with, 704–705, 761, 798, 1065, 1740, 1757, 1759
  China, People's Republic of:
    Policy toward and relations with, 1086, 1101, 1119, 1137–1138, 1307, 1321, 1351, 1556, 1621–1622, 1625, 1644–1645, 1649, 1694, 1696, 1698, 1700, 1704, 1786, 1832–1834, 1841, 1843
    Thorium shipments to, question of application of U.S. Battle Act concerning, 1696–1712, 1714–1723, 1726, 1733–1735, 1763, 1769
  Commonwealth, British, relationship to, 58, 962, 991, 1085, 1090, 1097, 1113, 1843
  Communist activities in, 1057, 1073, 1076–1077, 1087, 1094, 1108, 1111, 1175–1176, 1178, 1321, 1382, 1553, 1570, 1634, 1636–1637, 1642, 1649, 1655, 1666–1669, 1671–1673, 1717
  Cotton production and imports, 1083, 1105, 1115
  Defense and security of, 1111
  Economic situation, 1073, 1075, 1077–1079, 1091, 1098, 1104–1106, 1117, 1643, 1654, 1656
  Ford Foundation activities in, 2–3, 1315, 1650, 1732
  Foreign enclaves in, 1610
  Foreign policy (*see also* Non-alignment policy, below) 1694, 1698
  France, relations with, 1740, 1757, 1759

India—Continued
Graphite resources, 1097
Independence, 1098, 1100
Indochina, policy regarding, 1131–1132, 1137–1138, 1607–1610, 1629, 1649, 1664
International Bank for Reconstruction and Development, loans by, 1117, 1141
Japan, relations with, 1115–1116
Jute production, 1066, 1083, 1097, 1105, 1115
Korean conflict, role in, 1098, 1145, 1273, 1645, 1649, 1664, 1693, 1701–1702, 1715, 1717, 1724–1726, 1730, 1840, 1842–1843
Kyanite production, 1066–1068, 1097
Maganese resources, U.S. interest in, 73, 1060, 1065, 1097, 1115
Mica resources and sales, 1065, 1067, 1097, 1105, 1144, 1720, 1723
Military forces, 1069–1070, 1082, 1097
Monazite sands, sales to the United States of, 1065*n*, 1068, 1097, 1700, 1716, 1728–1729, 1756
Nepal, relations with, 1074, 1077, 1085–1086, 1090, 1102, 1109, 1114, 1170, 1313, 1351
Neutral Nations Repatriation Commission, member of, 1705, 1717
Non-alignment policy, 1074, 1085–1087, 1090–1091, 1094, 1100–1101, 1112–1113, 1119, 1130–1131, 1134, 1137–1138, 1144–1145, 1351, 1596–1597, 1601, 1607, 1614, 1617, 1625, 1738, 1741, 1746–1747, 1834, 1842–1843
Pakistan, relations with (*see also* Kashmir dispute), 276, 1083–1084, 1086, 1088, 1109–1110, 1118, 1413, 1610, 1740, 1853, 1862–1863, 1872
Political situation in, 769, 1064, 1072*n*, 1073–1077, 1089, 1102–1103, 1107–1108, 1171, 1639–1642, 1644, 1667, 1671–1673, 1778
Rockefeller Foundation activities in, 1732
Shellac production, 1066, 1068, 1097
Southeast Asia Treaty Organization, opposition to, 1628
Soviet Union, relations with, 1119, 1175, 1351, 1448, 1636, 1644–1645 1649, 1661, 1769, 1832–1834, 1841
Sri Lanka, relations with, 1110, 1118, 1131, 1520, 1573–1577, 1595–1600, 1602–1605, 1607, 1611–1613, 1617, 1630–1631, 1740
Surplus property agreement, negotiations regarding settlement of, 1684–1691, 1695–1696, 1777–1778
Thorium sales to the United States, negotiations regarding, 1701–1707, 1709–1710, 1718–1723, 1726–1730, 1732–1735, 1739–1741, 1751–1757, 1762–1765, 1767, 1769
Thorium shipments to the Soviet bloc (*see also under* China, People's Republic of, above), agreement
India—Continued
Thorium shipments—Continued
with the United States concerning, 1137, 1142, 1144
Treaty of Friendship and Establishment with the United States, negotiations concerning proposed, 1060, 1106, 1747–1750, 1759–1762, 1770–1771, 1842
Union of South Africa (*see also* Treatment of people of Indian origin *under* United Nations General Assembly), 906–908, 910–911, 965
U.N. Economic and Social Council, candidacy for seat on, 829
U.S. civil air routes and services, negotiations concerning, 1742–1745, 1773–1777, 1780–1783, 1787–1792, 1794, 1799–1817
U.S. economic assistance, 1087, 1094, 1105, 1116–1117, 1122–1123, 1141, 1144–1145, 1175, 1179, 1563–1564, 1634–1636, 1638, 1641–1643, 1646–1648, 1652–1655, 1659, 1666, 1668–1677, 1679–1684, 1691–1694, 1698–1699, 1701–1702, 1711–1714, 1716–1717, 1723–1724, 1734, 1736, 1772, 1782, 1816, 1843, 1849
U.S. educational exchange program, 1122–1123, 1139–1141
U.S. food assistance program, 1060, 1116, 1124, 1175, 1178, 1651, 1784–1785, 1797–1799, 1802, 1821
U.S. information program, 1122–1123, 1139, 1649, 1663–1664, 1772, 1842
U.S. military assistance, 1060, 1062, 1124, 1170, 1179, 1639, 1658–1663, 1668, 1678–1679, 1681–1682, 1738–1739, 1766, 1839
U.S. military assistance to Pakistan, opposition to, 1118–1119, 1133, 1144, 1338–1339, 1344, 1346, 1351, 1353, 1357–1360, 1405, 1596, 1599, 1731–1732, 1735–1739, 1772, 1778, 1830, 1832–1836, 1838–1839, 1841–1845, 1855
U.S. policy toward and relations with, 436, 1006, 1029, 1057*n*, 1080, 1091–1092, 1094, 1099, 1113, 1202, 1633–1817, 1836, 1839–1840, 1843–1844
U.S. technical assistance, 1061, 1094, 1105, 1122–1123, 1141, 1145, 1175, 1633, 1637, 1646, 1650, 1656, 1663, 1666, 1669, 1682, 1684, 1713, 1734, 1736, 1754, 1762–1764
Uranium resources, 1729–1730
Visit by Secretary of State Dulles, 1072, 1395*n*, 1694–1695, 1724–1725
Visit by Vice President Nixon, 1088, 1403*n*, 1730–1731, 1780
Visit to the United States by Prime Minister Nehru, proposed, 1772–1773, 1778–1779, 1786–1787
India Emergency Food Assistance Act, *1951*, 1060, 1124*n*
Indochina, 97, 144–145, 156, 158, 163, 172, 182, 184–185, 187, 357, 391–392,

Indochina—Continued
397, 471, 628–629, 631, 642, 648, 651, 656, 723, 745–746, 757–758, 765, 802, 826–827, 837, 861, 881, 883–884, 1100, 1110, 1130–1133, 1136–1139, 1143–1145, 1178, 1412, 1480, 1504, 1538, 1607–1617, 1619, 1626, 1629, 1649, 1676, 1847–1848
Indonesia (*see also under* United Nations General Assembly: Country positions), 73, 104, 603, 635, 636*n*, 671–672, 681, 689–690, 702, 739, 741–742, 749, 769, 806, 946, 1064, 1115, 1133–1134, 1523, 1542, 1547, 1550, 1552, 1556, 1589, 1611, 1621–1623, 1625, 1698, 1740
Institute of African-American Relations, 70
Intelligence Advisory Committee, U.S., 71*n*, 131*n*, 153*n*, 953*n*, 1062, 1072*n*, 1481*n*, 1839*n*
Inter-Agency Committee on Agricultural Surplus Disposal, U.S. 1798–1799
International Bank for Reconstruction and Development, 2, 9, 25, 29, 284, 308–309, 319–320, 325, 343, 345*n*, 453, 457, 462, 464–466, 473–474, 478–479, 918, 1000, 1084, 1117, 1141, 1152, 1258, 1307, 1345–1346, 1469, 1595, 1638, 1650, 1819, 1822, 1828, 1847
International Business Machines, 933
International Civil Aviation Conference at Chicago, *1944*, 1745
International Civil Aviation Organization, 484, 1745, 1792, 1800–1801, 1805–1806, 1809–1810, 1814
International Confederation of Free Trade Unions, 133, 288–292, 830, 865
International Court of Justice:
Advisory opinions, proposals for, 795, 820–821, 926, 936–940, 942–944, 949–952, 954–956, 970*n*, 972, 1049–1052, 1202, 1291, 1312
Decision regarding U.S. treaty rights in Morocco, *Aug. 27, 1952*, 193, 195*n*, 197, 210–217, 219, 222, 224–225, 227–228, 230, 599–603, 768
Members, election of, 1141
Nationality Decrees case, 691
South West Africa case, *1950*, 926 929, 982, 1010–1012, 1023, 1035–1036, 1046, 1049
International Materials Conference, 918
International Monetary Fund, 343, 912–914, 916, 931–932, 1825, 1858
Iran (*see also under* United Nations General Assembly: Country positions), 128, 130, 158, 480, 603, 619 635, 661*n*, 688, 739, 769, 1088, 1091, 1097, 1099, 1112, 1118*n*, 1119, 1152, 1154, 1156, 1177, 1302, 1307, 1369 1379, 1395, 1397, 1404, 1408, 1422, 1436–1437, 1440, 1445, 1448–1451, 1454, 1475, 1491, 1495, 1497, 1832–1834, 1836, 1841, 1848, 1856, 1872
Iraq (*see also under* United Nations General Assembly: Country positions), 480, 603, 635, 661, 739, 1072, 1091, 1112, 1422, 1836–1837, 1841, 1848, 1872
Iron ore, 74, 107, 156, 175, 248, 515, 519
Ismail, Mohammed, 1291–1293
Ismay, Lord, 1180, 1201
Israel, 170, 550–551, 585, 644, 655, 882, 998, 1072, 1625, 1749
Istan, Thampa, 1174
Italian colonies, disposition of former. *See under* United Nations General Assembly.
Italian Somaliland, 72, 78, 87, 89, 96, 763
Italy, 96, 423, 436, 1549, 1551, 1675, 1740, 1749, 1757, 1759
Ivory Coast, 85, 239*n*, 253–255, 260

Jabbar, Ahmed Abdul, 654
Jackson, C. D., 1045
Jackson, Elmore, 1194, 1197, 1215, 1219, 1224–1225, 1229, 1249, 1266, 1281–1282
Jackson, R. G. A., 282–284
Jacquin de Margerie, Roland, 619, 766, 836
Jacquinot, Louis, 121
Jagan, Cheddi, 287
Jain, L. C., 1780, 1790*n*, 1791, 1800, 1805, 1810
al-Jamali, Mohamed Fadhil, 654–657, 832
James, Sir Archibald, 32
Japan, 459, 1064, 1066–1069, 1115–1116, 1151, 1478, 1503, 1513, 1523, 1551*n*, 1556, 1586, 1593, 1625, 1671–1672, 1677, 1681, 1740, 1749, 1820
Japanese Peace Conference at San Francisco, 1527
al-Jarbi, Ali, 557, 562–563, 566–567
Jarvie, B. J., 981*n*
Javits, Jacob K., 757
Jayewardena, N. U., 1522
Jayewardene, Julius R., 1499, 1505, 1507*n*, 1520, 1560, 1571, 1580, 1607–1608, 1612, 1614
Jayewickreme, Maj. W. G. M., 1584
Jebb, Sir Gladwyn, 26, 702–703, 720*n*, 845–846, 1186, 1231, 1300, 1302–1303, 1305, 1309
Jefferson, Thomas, 18
Jerath, H. L., 1771
al-Jerbi, Ali. *See* al-Jarbi.
Jerbi, Suleiman Bey, 541, 545–547, 553, 569–570, 585, 590, 592, 594–595
Jernegan, John D., 43*n*, 51*n*, 142, 146, 225, 285–286, 324–326, 435, 480–481, 510–511, 512*n*, 542, 564*n*, 573*n*, 574*n*, 575*n*, 595*n*, 598*n*, 604*n*, 615*n*, 654–655, 665–670, 672–673, 675–679, 693, 694, 696–697, 707–708, 712–714, 718–719, 754–763, 786*n*, 790–791, 795*n*, 801*n*, 813*n*, 943–948, 1055*n*, 1118, 1357, 1380, 1389, 1393–1395, 1403–1405, 1416, 1427*n*, 1428–1429, 1435–1436, 1437*n*, 1438–1442, 1445, 1465*n*,

Jernegan, John D.—Continued
1497*n*, 1572–1573, 1585–1586, 1604, 1606, 1628, 1632, 1691–1692, 1767–1768, 1792–1793, 1795*n*, 1796–1799, 1828–1829, 1831*n*, 1859–1860, 1865*n*, 1873*n*
Jessup, Philip C., 143, 540, 607–608, 643, 734, 735*n*, 752, 766, 810*n*, 812*n*, 828, 831–833, 839, 843–845, 847–851, 854, 881, 963, 966–968, 973–974
J. G. White Company, 462
Jha, B. N., 1765, 1780–1783, 1788, 1800–1801, 1805–1806, 1808, 1810, 1812–1814
Jinnah, Mohammed Ali, 1079, 1286
Johns-Manville Corporation, 319
Johnson, A. M. Ade, 1050–1052
Johnson, Jesse C., 902–905
Johnson, John, 592
Joint Chiefs of Staff, U.S.:
Africa, U.S. security interests in, 107, 832–833
African strategic materials, 103
African transportation systems, development of, 104
Belgian Congo, U.S. military assistance for, 409
Ethiopia, U.S. military assistance for, 419, 423*n*, 426, 430, 433–434, 440, 443, 448, 450, 476
Liberia, U.S. policy toward, 488–489, 502, 507–508, 523*n*
Morocco, U.S. bases in, 644
Pakistan, U.S. military assistance for, 1863
South Asia, U.S. policy toward, 1128, 1150
Sri Lanka, proposed U.S. base rights in, 1605
Jones, G. Lewis, Jr., 752*n*, 758, 788–791, 852–861
Jones, J. Jefferson, 111, 680*n*
Jones, John A., 266
Jones, John Wesley, 637*n*
Jones, Gen. Richard L., 532–533, 537*n*
Jones, S. Shepard, 728*n*
Jooste, G. P., 916*n*, 917, 920, 922, 925–926, 929, 940–942, 947–949, 963, 977, 998–1001, 1013, 1029–1032
Jordaan, Jan R., 1031
Jordan, 1072
Josif, Harold G., 1772*n*
Joy, Charles R., 379–380
Joyce, Robert P., 71*n*, 94–96, 641–642, 873–876
Juin, Marshal Alphonse Pierre, 400, 623, 786, 888
Julianna, Queen of the Netherlands, 712
Jurgensen, Jean, 71*n*, 94–96, 120–122, 247–252
Jute, 1063, 1066–1068, 1097

Kaggia, Bildad, 353*n*
Kalijarvi, Thorsten V., 1726–1727, 1784, 1797
Karumba, Kungu, 353*n*
Kashmir dispute between India and Pakistan (*see also under* United Nations General Assembly *and under* United Nations Security Council):
Azad-Kashmir forces, 1167–1169, 1181, 1185, 1189, 1194, 1199, 1234, 1236–1238, 1244, 1263–1268, 1271, 1273, 1275–1278, 1280–1281, 1287–1288, 1290, 1299, 1303, 1305, 1308
British policy and position regarding, 1171–1173, 1179, 1181, 1183, 1191, 1193, 1197, 1202, 1210, 1213, 1216–1217, 1220, 1225, 1227, 1235, 1242, 1245, 1269, 1294, 1298–1300, 1302–1303, 1305, 1309, 1313, 1322, 1363–1364
Cease-fire line, 1109, 1162*n*, 1171, 1173, 1181–1182, 1193, 1204–1205, 1242, 1250, 1262, 1266–1267, 1271, 1280, 1282, 1288, 1290, 1297–1299, 1301, 1308, 1311, 1319, 1328, 1339–1340, 1345, 1351, 1362
Demilitarization proposals, 1162, 1166–1167, 1170*n*, 1171–1173, 1176, 1182, 1185–1187, 1189, 1191–1194, 1198–1206, 1211, 1218, 1221–1224, 1229–1230, 1236, 1238, 1241–1247, 1250, 1254–1255, 1260–1261, 1266–1267, 1269–1271, 1273–1277, 1279–1282, 1283*n*, 1288–1289, 1292, 1294, 1298, 1300, 1305–1306, 1308–1311, 1314, 1346, 1359, 1362
Independence for Kashmir, proposals for, 1178, 1186–1187, 1239, 1258, 1275–1276, 1323–1324, 1326, 1330
Indian position, 1058, 1073–1074, 1083–1084, 1087, 1109, 1143, 1162–1175, 1178, 1183, 1185, 1188–1189, 1192*n*, 1195, 1197–1199, 1202–1204, 1212, 1218, 1220–1227, 1229–1231, 1233–1240, 1242–1243, 1250–1251, 1253–1258, 1260, 1267, 1273–1276, 1278–1282, 1288–1294, 1299–1300, 1302–1307, 1309, 1311–1312, 1316–1317, 1319, 1325–1327, 1330–1331, 1338–1340, 1342–1343, 1345, 1349–1350, 1352–1354, 1358–1360, 1369, 1401, 1465, 1598, 1832–1833, 1844–1845
Jammu area, 1167, 1169, 1188–1189, 1199, 1234, 1236–1238, 1250, 1267–1268, 1287, 1290, 1299, 1303
Ladak area, 1239, 1267
Pakistan position, 1058, 1073–1074, 1080, 1083–1084, 1087, 1162–1164, 1169, 1172, 1176–1177, 1179, 1181, 1183, 1185, 1187, 1192*n*, 1194–1196, 1198–1199, 1201–1203, 1206–1208 1210–1211, 1213–1214, 1217, 1220, 1227–1228, 1230–1231, 1234, 1241–1242, 1246–1249, 1255–1256, 1259–1265, 1268–1274, 1276–1283, 1285, 1288–1289, 1293–1297, 1304, 1306, 1308, 1319, 1324–1325, 1327–1329, 1334–1337, 1340, 1345–1347, 1357, 1360, 1362–1363, 1379, 1613, 1844, 1853

Kashmir dispute between India and Pakistan—Continued
Partition proposals, 1166–1170, 1186, 1188, 1190–1191, 1200, 1210, 1221–1222, 1226–1227, 1229–1230, 1234–1240, 1242–1244, 1253–1254, 1256–1260, 1263, 1265, 1272, 1274–1275, 1277, 1287, 1290–1291, 1296–1297, 1299–1300, 1304, 1306, 1308, 1315–1317, 1319
Plebiscite question, 1084, 1166–1170, 1172, 1176, 1182, 1185–1186, 1188–1194, 1199, 1201, 1212, 1218, 1221, 1223–1227, 1229–1231, 1234, 1238–1239, 1241, 1244–1247, 1250, 1253–1255, 1257–1258, 1261–1265, 1268, 1273–1278, 1282, 1286–1287, 1289–1293, 1296–1300, 1303, 1305, 1310, 1314, 1317, 1319, 1324, 1357, 1359, 1379
South Asian Conference of Prime Ministers, attitude of, 1130, 1132, 1135
Soviet policy regarding 1172–1187, 1189–1190, 1210, 1213, 1259, 1261, 1275, 1297, 1301, 1303, 1307, 1340, 1357*n*, 1358, 1361–1363
U.N. Commission for India and Pakistan (UNCIP):
Activities of, 1143, 1186*n*, 1212, 1276
Report of, 1300
Resolution of *Aug. 13, 1948*, 1212*n*, 1219, 1227, 1241–1242, 1245, 1254–1256, 1258, 1260, 1277, 1280, 1296, 1298, 1305–1306, 1310–1311, 1314, 1363
Resolution of *Jan. 5, 1949*, 1166, 1191, 1193, 1212*n*, 1218, 1219, 1227, 1231, 1241–1243, 1245, 1254–1256, 1258, 1260, 1267, 1277, 1296, 1298, 1304–1306, 1309–1311, 1314, 1363
U.N. Plebiscite Administrator (*see also* Nimitz, Adm. Chester W.), 1058, 1162, 1166–1167, 1171–1172, 1182, 1186, 1191, 1193–1199, 1201, 1205, 1215, 1218, 1223–1232, 1236, 1241, 1244, 1247, 1251, 1262–1263, 1265–1271, 1273, 1275, 1279–1283, 1288–1290, 1292, 1296–1297, 1333–1335, 1339–1340, 1343–1344, 1346, 1357, 1363
U.N. Representative for India and Pakistan (*see also* Graham, Frank), 1058, 1162–1173, 1175–1262, 1264–1269, 1271–1290, 1292–1296, 1298–1301, 1303–1308, 1310–1311, 1313–1316, 1322, 1339–1340, 1342, 1345, 1358, 1362–1363
U.S. Military Observer Group, 1144, 1146, 1187–1188, 1232–1233, 1338–1343, 1347–1356
U.S. policy and position, 1094–1095, 1141, 1145–1146, 1165–1167, 1170–1172, 1180, 1182, 1185, 1190–1193, 1196–1197, 1204–1205, 1208–1210, 1213, 1216, 1220, 1222–1224, 1230–1233, 1241–1243, 1245–1246, 1250, 1252–1257, 1259–1261, 1265–1272, 1276–1277, 1279–1281, 1284–1285, 1298–1299, 1302–1307, 1309–1310, 1313–1316, 1322–1329, 1343–1345, 1349–1350, 1354–1358, 1361, 1363–1364, 1693, 1711, 1830, 1842
Kastalli, Chadly, 863, 865
Katju, K.N., 1326, 1640, 1644
Kaur, Rajkumari Amrit, 1639, 1731
Kaurhas, Amrit, 1640
Keeler, Erwin P., 281–282
Kekhia, Fathi, 554, 576–577, 590–591
Kelakos, Michael G., 1682*n*
Kem Amendment. *See* Third Supplemental Appropriations Act of *1951*.
Kennan, George F., 195
Kennecott Copper Company, 933–934
Kennedy, Donald D., 708–709, 910*n*, 1189, 1218, 1318–1319, 1383–1385, 1387, 1474, 1506, 1529–1530, 1572, 1586, 1594–1595, 1605, 1634*n*, 1635*n*, 1637*n*, 1648, 1651, 1658–1660, 1665*n*, 1678, 1691*n*, 1693*n*, 1702*n*, 1703*n*, 1712*n*, 1714*n*, 1717*n*, 1720*n*, 1722*n*, 1735*n*, 1737*n*, 1770–1771, 1787–1792, 1799–1801, 1804*n*, 1805–1814, 1818*n*, 1819, 1821, 1825*n*, 1826*n*, 1828–1829
Kennedy, Maj. Gen. Sir John, 324, 326, 334*n*, 336, 339, 1004
Kent, Sherman, 1213–1214
Kenya:
British East Africa Command in, 52
British policy toward, 44, 371
Communist activities in, 92, 348, 356, 358–359, 362
Indian and Pakistani minority in, 92–93, 239, 358–360, 362–363, 366, 377–378, 380
Mau Mau problem, 44, 46, 48, 51, 75, 77, 79, 83–84, 92–93, 97, 99, 344, 346–355, 357–363, 365–368, 377, 380, 412, 996, 1038
Population, 89
Technical assistance program for, 2, 26
U.S. Consulate at Mombasa, closure of, 52–53
U.S. economic assistance, 380
U.S. information program, 356–364
U.S. military bases in, question of, 105
U.S. trade with, 52
Kenyatta, Jomo, 92, 350, 352–359, 365–366
Keshishian, Levon, 642–644, 880–882
Keskar, B. V., 1640
Keuneman, Pieter, 1609
Key, David McK., 123, 829, 1055*n*
Khalidy, Awni, 606, 740
Khama, Seretse, 45
Khan, Gen. Muhammad Ayub, 1332, 1340–1341, 1345, 1439, 1854–1856, 1860–1861, 1864
Khan, Sahib, M.L.A., 1426, 1439

Kidwai, R.A., 1639–1640
Kihiko, Reuben, 358*n*
Kilcoin, William L., 909–910
King, Arthur S., 531*n*
Kirk, N. H., 1466–1470
Kirkbride, Sir Alec Seath, 552, 559, 561, 563–564, 568
Kirkpatrick, Helen P., 728*n*, 745, 825
Kitchen, Jeffrey C., 928*n*, 1709*n*, 1713*n*
Kitchen, Robert B., 532, 629*n*, 828
Knight, Ridgway B., 607, 615*n*, 625*n*, 627*n*, 700*n*, 717*n*, 721*n*, 746–747, 751–754, 766, 780*n*, 798*n*, 800–801, 822–826, 839, 844, 848, 849*n*, 853*n*
Knowland, William F., 591, 621
Koenig, Gen. Marie-Pierre, 640, 644–645, 888
Koinange, Peter, 366
Kopper, Samuel K. C., 1251
Korea, Republic of, 1129
Korean conflict (*see also under* United Nations General Assembly), 361, 418, 423, 432–433, 436, 440–441, 443–444, 723, 809, 861, 1086, 1098, 1110, 1131, 1145, 1273, 1412, 1499*n*, 1522–1523, 1554, 1570, 1576, 1628, 1644, 1649, 1664, 1676, 1693, 1701–1702, 1715, 1724–1726, 1730, 1840, 1842–1843
Kotelawala, Sir John Lionel, 1130, 1132–1136, 1145, 1147, 1515–1516, 1565, 1569*n*, 1575, 1580, 1584, 1597, 1599–1601, 1603–1615, 1619, 1621, 1623–1628
Kotschnig, Walter M., 966
Kripalani, M. K., 1699
Krishnamachari, T. T., 1640
Krishnan, Kariamanikkam S., 1755
Kubai, Fred, 353*n*
Kumah, Isaac K., 292
Kyanite, 1066–1068, 1097
Kyes, Roger M., 508, 513–514
Kyrou, Alexis, 710–711

Lacoste, Francis, 606, 640–647, 649–653, 657–659, 663–664, 671, 702–703, 711–712, 839, 843–848, 881–883
Ladejinsky, Wolf, 1667–1668, 1672
Ladgham, Bahi, 740, 750–751, 784, 790–791, 795–796, 799
Laethem, Gabriel van, 120, 247, 250, 252, 600, 608–609, 698, 715–716, 746–747, 751, 781–782, 794, 801
LaHouel, Hocine, 396
Laithwaite, Sir John Gilbert, 1285
Lakhdar, Tahar, 877*n*
LaMacchia, Frank R., 300, 306, 324, 334
Lamm, Donald W., 4*n*, 5, 7, 21, 255–257, 294–295, 304–305
Langier, Henri, 1006*n*
Laniel, Joseph, 187, 619, 627–628, 631, 640
Lannung, Hermod, 1025
Laos, 1129, 1848
Larabee, Byron H., 484, 493, 503*n*, 506, 534, 535*n*
Latin American bloc (*see also under* United Nations General Assembly: Country positions), 99, 105, 107, 167, 176, 179, 320
Latour, Gen. Boyer de, 887–888, 891, 896–897
Lavallee, Jerome R., 120–122, 247–252, 255, 257
Lavery, Pierre, 95–96
Lawton, Frederick J., 1464, 1652–1654
Lay, James S., Jr., 101*n*, 102, 118*n*, 170*n*, 1057, 1089*n*, 1120, 1136, 1147*n*, 1148*n*, 1151, 1412, 1435, 1497
Leach, Richard S., 1370–1373
Lead, 156, 175, 298
League of Nations, 732, 926*n*, 929, 956*n*, 1012, 1023, 1035, 1048
Lebanon, 603, 635, 661*n*, 710, 739, 757, 829, 849, 927, 976*n*, 978, 1017*n*, 1022, 1054, 1072
LeBreton, David, 705–707, 782–783, 865–868
Leclerc, Marshal Jean, 188
Lee, Armistead M., 928–932, 938*n*, 940*n*, 949, 950*n*, 951–952, 995*n*, 1014–1017, 1029–1030
Lee, Frederick Billings, 511
Leemans, Frantz, 409
Lemma, Ato Menassie, 456, 458–467, 472
Lemnitzer, Lt. Gen. L. L., 433, 438, 441, 442*n*, 445–447
Lend-Lease, 1658
Lennox-Boyd, Alan, 374
Léonard, Roger E. J., 391–394, 396–399, 402
Le Roy de la Tournelle, Guy, 701, 723–724, 766
Lewis, John H., 26
Lewis, William H., 252, 296*n*
Liaquat, Ali Khan, 1207, 1262, 1313, 1328, 1360, 1371
Liaquat, Begum, 1347
Liberia (*see also under* United Nations General Assembly: Country positions):
  African Defence Facilities Conference at Dakar, participation in, 90–91, 111–112, 115, 117, 518–519
  Commission on Technical Cooperation for Africa, proposed inclusion in, 96, 251
  Defense and security of, 90–91, 519–520, 522–525
  Defense Areas agreement, negotiations concerning renewal of, 485, 507, 515–517, 522
  Export-Import Bank loans:
    Highway construction, 40, 484, 490, 507
    Liberia Mining Company, 40, 490–491
    Roads in Monrovia province, 524–526, 528–529, 533–535, 537*n*
    Water and sewage system, 490
  Firestone Plantation Company, matters concerning, 482, 484, 494, 496, 498–499, 503, 505–506, 535
  French interest in, 510

Liberia—Continued
Independence of, 76, 243
Iron ore resources, 515, 519
Joint Liberia-United States Commission for Economic Development, 485, 490*n*, 528–530
Liberia Company, 484*n*, 491
Liberia Mining Company, 483, 484*n*, 486–487, 491, 499, 506, 510, 519, 535
Monrovia port, development and management of, 483–484, 519, 525
Population, 89
Roberts Airfield, negotiations concerning maintenance and operation of, 485–489, 492–498, 500–502, 507–519, 522
Rubber production, 88, 510, 515, 519
Tax measures affecting American companies, 502–506
United African-American Development Corporation, 519
U.S. Army Mission, 515–516, 535–536
U.S. economic assistance, 86, 486, 527–532, 537
U.S. Military Assistance Advisory Group, 519, 523
U.S. military assistance, proposed, 523–524, 527, 535
U.S. relations with, 49, 66–67, 100–101, 482–537
U.S. technical assistance, 2–3, 49, 482–486, 491–492, 497–498, 507, 528–529
Visit to the United States by President Tubman, 520–521, 523*n*, 525–527, 533
Voice of America outlet in, 13–15
Libya (*see also* Libyan situation *under* United Nations General Assembly):
Arab League, member of, 170
Arab states, relations with, 142, 170, 585, 589
British bases in, 69, 558–560, 562–563, 564*n*, 565*n*, 567–568, 571–572, 577, 588
British policy toward, 140–141, 152, 169, 543, 547*n*, 551–553, 557*n*, 558–561, 571–572, 579, 581–583, 585
British treaty of alliance, proposed, 554, 563
Egypt, relations with, 142, 170, 575, 577, 584–585
France, relations with, 140–141, 152, 169–170, 187–188, 542–543, 555, 557*n*, 560–562, 563, 564*n*, 565*n*, 589
Independence of, 78, 139, 168, 235, 538, 763
Israel, policy toward, 170
Italian position in, 140–142, 543
Political situation, 130–131, 139–142, 151, 155, 168–169, 576–577, 580–582, 584
Technical assistance program for, 2, 131, 140
Libya—Continued
Tunisia, policy regarding nationalist movement in, 158, 169, 395, 884, 895–896
Turkey, relations with, 170
United Kingdom, policy toward, 542–543, 547, 555, 582
U.N. technical mission, 539
U.S. economic and technical assistance, 140, 169, 544–551, 553–554, 557–558, 560, 566*n*, 582, 585–590, 592–594, 596, 598
U.S. Embassy, establishment of, 597–598
U.S. military and naval base rights, negotiations concerning, 103, 105, 140–141, 156, 169, 538–579, 581–598
U.S. relations with, 97, 102, 131, 151–152, 538–598
Visit by Secretary of State Dulles, 1072
Lie, Trygve H., 539, 1302
Liebhafsky, Herbert H., 909
Lilienthal, David E., 1187, 1346
Lind, Lewis M., 1685, 1687*n*, 1688
Lingeman, Eric R., 1383*n*, 1448, 1451, 1458–1459
Litsey, Weldon, 487
Little, Charles J., 1412–1414, 1417
Lloyd, John Selwyn, 845, 1318
Locker, Jesse D., 517–518, 520*n*, 529–533, 536, 537*n*
Lockett, Thomas H., 382–391
Lodge, Henry Cabot, 629, 630*n*, 636, 654–657, 660–662, 866, 1012–1013, 1017–1018, 1022–1023, 1026, 1042–1043, 1052–1055, 1315, 1343*n*, 1352–1356, 1362, 1423–1424, 1430, 1433, 1435, 1438–1439
Loftus, John, 1687–1691, 1696, 1699–1701, 1706, 1709, 1748, 1777
Logan, Rayford, 243
Longanecker, David E., 26–29, 247, 456, 458, 461, 467
Louddin. *See* Ludin.
Lourie, Donold B., 285, 324
Louw, Eric H., 908–910, 917, 920, 965–966
Lovestone, Jay, 790–791
Lovett, Robert, 485*n*, 488, 497, 501–502, 507, 1187, 1232–1233, 1677
Lubin, Isador, 828
Lucius, Jacques, 894
Ludin, Mohammad Kabir, 1378–1380, 1385–1386, 1408–1411, 1414–1416, 1421–1422, 1426–1427, 1435–1443, 1445, 1463, 1470–1472, 1479–1481, 1497–1498
Ludlow, James M., 1251, 1252*n*, 1257, 1333–1334, 1359*n*
Lynch, Andrew G., 539, 541, 566–567, 569
Lyon, M. G., 1547–1552
Lyttleton, Oliver, 265*n*, 275, 329–330, 366–372, 374*n*

MacArthur, Douglas, II, 146, 627*n*
Macintyre, Donald, 343

Mackay Radio and Telegraph Company, 190*n*, 217–218, 222, 225–227, 230
Macpherson, Sir John, 264*n*
MacVeagh, Lincoln, 195–196
Madagascar, 79, 88–89, 98, 233
Maffitt, Edward Pierce, 758, 866*n*
Mahtab of Burdwan, 1640
Maiwandwal, Mohammad Hashim Khan, 1389, 1393, 1395, 1402–1403, 1408, 1466
Majid, Abdul, 1366, 1392
Makins, Sir Roger, 90–91, 108*n*, 115*n*
Malan, Daniel F., 905–906, 908*n*, 917–919, 921–922, 928*n*, 931, 941, 956, 958, 965–966, 984, 986–988, 991–998, 1002*n*, 1003–1004, 1006, 1010, 1017, 1037
Malaya, 29, 73, 357, 1542, 1547, 1557, 1589, 1611, 1617, 1740, 1848
Malenkov, Georgiy Maksimilianovich, 997
Malik, Abdul, 1478*n*, 1486–1487
Malik, Charles, 626*n*
Malik, Yakov A., 705, 1172–1178, 1180, 1183–1184, 1187, 1249
Mallon, Patrick, 30–37, 413–414
Manchuria, 1064, 1069
Manganese, 73–74, 88, 105, 107, 134, 156, 175, 248, 286, 519, 908–910, 1063, 1065, 1067–1068, 1097
Mangano, Philip A., 609*n*, 611–613
Mani, Rangiah S., 1702
Manila Treaty. *See* Southeast Asia Collective Defense Treaty.
Mao Tse-tung, 1098, 1234, 1617
Marchal, Léon, 614–615, 619–621, 758
Margai, Milton, 67
Margarie. *See* Jacquin de Margerie.
Margey, Louis A., 506
Marin, Miguel A., 1194, 1198–1199, 1218–1219, 1229–1230, 1235, 1237–1238, 1249, 1266.
Marquardt, Leo, 1015
Marshall, George C., 437, 1675
Marshall, Peter, 333–334, 336, 338
Martin, Edwin M., 493, 1648, 1651, 1660*n*, 1661, 1668, 1692*n*, 1822–1823
Martin, Georges-Henri, 825, 827
Martin, Sir John, 310–313
Martinaud-Déplat, Léon, 402, 890
Masani, Minoo, 92–93
Masinde, Elijah, 358*n*
Masmoudi, Mohammed, 865, 878, 893–894, 896
Massaquoi, Nathaniel V., 522, 524
Materi, Mohammed, 884–885
Mathu, Eliud, 355
Matienzo, Anza, 424–425
Matsoua, André, 412*n*
Matteson, Robert E., 1695
Matthews, H. Freeman, 364–365, 506–508, 606*n*, 685*n*, 735*n*, 758–760, 807*n*, 810*n*, 966, 1011*n*, 1313, 1566–1567, 1578*n*, 1634, 1712
Mau Mau. *See under* Kenya.
Mauritania, 85*n*
Mauritius, 52
Mayer, René, 185–186, 856, 890
Mayo, Charles W., 1014
McBride, John W., 24–26, 29, 489
McBride, Robert H., 142*n*, 148*n*, 600–602, 603*n*, 607, 609*n*, 635*n*, 637*n*, 680*n*, 685*n*, 698–699, 703*n*, 715–716, 721*n*, 729, 734, 746–747, 751*n*, 758, 772*n*, 780*n*, 781–782, 791*n*, 810*n*, 815*n*, 820*n*, 824*n*, 825
McCarthy, Joseph R., 1618
McClelland, Roswell D., 406
McConaughy, Walter P., 1591
McDaniel, Charles B., 40
McGhee, George C., 730–732, 1386
McGregor, Robert G., 123–124, 245*n* 414–417
McNaughton, Gen. A. G. L., 1192, 1308
McWilliams, William J., 758, 1177*n*
Meeker, Leonard C., 819*n*, 828, 851*n*, 1013–1014, 1030
Mehta, Gaganvihari Lalubhar, 980–982, 1060, 1144, 1724–1726, 1766, 1771
Meier, Oscar W., 1, 300, 482, 484, 489, 493, 502, 504–505
Meloy, Francis E., 1657*n*
Mendès-France, Pierre, 159, 164, 171, 181–188, 260*n*, 399–400, 645, 647–648, 651–652, 654–660, 662–663, 883–885, 887–893, 897, 899–900
Menon, K. P. S., 1640
Menon, V. K. Krishna, 1043, 1044*n*, 1183, 1192, 1343, 1348, 1350, 1352–1355
Merchant, Livingston T., 627*n*, 629*n*, 657–658, 998–999, 1055*n*, 1860
Merrell, George R., 1367, 1381*n*
Messali, Hadj, 396, 403
Metcalf, Lee E., 611–613, 708–709, 1375*n*, 1376–1377, 1383, 1387*n*, 1393, 1401*n*, 1405*n*, 1407–1409, 1480–1481, 1831*n*, 1858–1859, 1865*n*
Metcalf, Rupert, 1514*n*
Mexico, 661, 1049, 1051*n*, 1053
Meyer, Brig. Gen. Harry F., 1143, 1856, 1866
Mezerna, Ahmed, 388, 396
M'Hamed Bey, Prince, 754–755
Mica, 1065, 1067–1068, 1097, 1105, 1144, 1720, 1723
Middle Congo, 85*n*
Middle East. *See* Near and Middle East.
Middle East Defense Organization, 444–445, 964, 968, 992, 1088, 1111, 1119, 1158, 1313, 1384, 1392–1395, 1425, 1465–1466, 1693, 1829, 1837
Middleton, George H., 1783
Military Air Transport Service, U.S., 485, 486*n*, 488, 493, 495, 497, 501, 1143
Mills, Sheldon T., 92–94, 980–981, 1316–1318, 1684–1685, 1727, 1757
Milton, N. T., 117
Mindszenty, Cardinal Jozsef, 943
Mirza, Gen. Iskander, 1138, 1332, 1446, 1834, 1846–1847, 1849, 1852, 1856–1857
Mississippi Shipping Company, 484*n*
Mitterand, François, 185–187, 401, 623
Moch, Jules, 749

Mohammed al Amin, Sidi (Sidi Mohammed Lamine Pasha), Bey of Tunis, 129–130, 132, 142–143, 145–146, 156, 159, 606, 643, 669*n*, 671–674, 676–678, 683, 686, 694–702, 705, 707, 713–715, 718–719, 724, 730, 743–744, 747, 755–756, 760–761, 764, 767–768, 770, 772*n*, 773, 776, 780, 782–789, 792, 795, 799–804, 810*n*, 811–814, 816, 829–830, 833, 843, 845, 849*n*, 850, 851*n*, 852, 855–858, 862–864, 867, 869–870, 873–874, 876–877, 881–883, 885–886, 888, 890–891, 894, 897, 901
Mohammed ben Moulay, Arafa, Sidi, Sultan of Morocco, 159, 164, 185, 613, 616, 625, 639, 641, 643, 647–648, 650, 652, 658*n*, 659–660, 881
Mohammed ben Youssef, Sidi, Sultan of Morocco, 97, 127, 134–135, 139, 143, 145–147, 149, 156, 158–160, 164–165, 178, 180, 191–194, 204, 215, 220, 226, 605–606, 608–609, 611, 613–616, 618–626, 628, 630–631, 638–641, 643, 645–647, 649–650, 658*n*, 659–660, 676, 747, 767, 786, 843–845, 881
Moline, Edwin G., 1502
Monazite, 1063, 1065*n*, 1068, 1097, 1700, 1716
Moncef Bey, 867
Monnet, Jean, 742*n*
Monroe Doctrine, 19
Mons, Jean, 94, 109, 117, 874
Monsma, George N., 609*n*
Moore, Charles R., 52, 71*n*, 235–237, 256
Moran, William E., 24, 26–27, 29, 247, 250–251, 456, 458–462, 465–467, 472, 479, 592
Morano, Albert P., 591
More, James B., 544–551
More, John W., 531*n*
Morgan, Arthur, 283
Morgan, George A., 1136
Morocco (*see also* Moroccan question *under* United Nations General Assembly *and under* United Nations Security Council):
  Arab states, policy of, 1841
  Communist activities in, 135–136, 143, 154, 161, 180, 604–605, 617, 619
  Defense and security of, 175
  French policy toward, 62–63, 127–129, 134–135, 139, 143–144, 146–151, 153–154, 156–159, 164–166, 171, 174, 179, 181–183, 185, 192–193, 389–390, 599–605, 607–611, 616–627, 630–634, 637, 639–642, 644, 646–653, 656–660, 663, 679, 722, 730, 742, 744, 746, 753, 765, 767, 769, 786–787, 826, 838, 854, 896
  Istiqlal party, 135–136, 138, 143, 159–160, 604–606, 608, 621, 624, 626–627, 643, 647–648, 767, 881
  Labor movement in, 135–136
  Manganese production, 134
  Manpower potential, 144–146
  Nationalist movement, 127–128, 135–136, 145–146, 148–149, 153–154, 157–160, 165–167, 171–172, 174, 176, 178–181, 382, 384–385, 387, 389–391, 395, 601, 605, 610–611, 614, 617, 619, 631, 644, 646, 650–651, 663–664, 802, 840, 845, 882
  Phosphate production, 134, 604
  Political situation, 127–128, 134–135, 142–143, 401, 613–627, 630–634, 639–640, 643–652, 658–659, 663–664, 706–707, 717, 769, 881–882
  Spanish attitude toward, 636–639
  Tangier, relationship to, 189, 191–193, 202, 204, 215, 220, 638, 650
  U.S. air and naval bases in, 62, 103, 128, 147–148, 154–156, 167–168, 172, 175, 178, 602, 617, 637, 644–645, 652–653, 753, 768, 801*n*
  U.S. economic and technical assistance, 174, 179
  U.S. policy toward, 128–129, 146–148, 151–152, 172–173, 189, 599, 603–604, 615–616, 625–632, 635–636, 648–651, 657–658, 662, 679, 1100
  U.S. treaty rights in, 147, 190, 193*n*, 195*n*, 210, 212–217, 219*n*, 222, 224–228, 230–231, 599–602, 618, 652
Moroka, Dr. James S., 1016
Morrison-Knudson Company, 1441, 1461*n*, 1467
Mosadeq, Mohammad, 802
Most-favored-nation treatment, 213*n*, 231, 1750, 1761*n*
Mountbatten, Lord Louis, 325, 1165
Mowrer, Edgar, 1425
Mozambique:
  Communist activities in, 79
  Export-Import Bank loan, 40, 303*n*
  Population, 89
  Portuguese policies toward, 1, 50, 61, 74, 78, 86, 239, 305
  Racial problems, 5
  Transport problems, 5
Muccio, John J., 828
Muir, Raymond D., 326*n*
Mulcahy, Edward W., 420–423
Mulughetta Bulli, Gen., 436–438, 442–448
Muniz, Joao Carlos, 610, 787, 844, 854
Munshi, K. M., 1640
Muntasser, Mahmud, 141, 168, 542, 544–557, 559–562, 565–574, 576–577, 580–582
Muntz, Thomas Godric Aylett, 197*n*
Murphy, Robert D., 407, 635–636, 1005, 1007*n*, 1009*n*, 1020, 1021*n*, 1023–1024, 1030, 1118*n*, 1403, 1405*n*, 1603–1605, 1615, 1779–1780, 1839*n*, 1846
Murumbi, Joseph, 367
Musazi, I. K., 375–376
Mutesa II, Kabaka of Buganda, 78, 368–376
Mutual Assistance Control Act (Battle Act), *Oct. 26, 1951*, 1060–1061, 1102, 1144, 1499*n*, 1503, 1506, 1509, 1527–1530, 1534, 1537–1538, 1548, 1558–

Mutual Assistance Control Act—Con. 1559, 1563–1567, 1573, 1576, 1586, 1588*n*, 1592*n*, 1593*n*, 1618, 1622, 1625, 1627–1628, 1631–1632, 1697–1701, 1703–1705, 1707–1709, 1711, 1715–1717, 1719, 1721–1723, 1733–1735, 1763, 1767, 1769, 1793, 1797, 1843
Mutual Defense Assistance Act of *1949*, 409, 423, 440, 443, 981, 1060, 1639, 1661, 1668, 1762, 1764, 1766
Mutual Defense Assistance Program, 398, 407, 468
Mutual Security Act of *1951*, 441*n*, 444, 447, 1142, 1551*n*, 1734, 1821; of *1952*, 1464*n*, 1573, 1582, 1588; of *1953*, 1158*n*; of *1954*, 528
Mutual Security Agency, U.S. 3, 27–29, 277, 280–281, 283, 300–302, 305–306, 308, 317, 322, 364, 420, 423, 492–493, 501, 589–590, 1060, 1142, 1464*n*, 1547*n*, 1565, 1635, 1637, 1655–1656, 1669, 1819–1820
Mutual Security Assistance Program, U.S., 1634, 1647, 1682–1683
Mzali, Mohamed Salah, 876–877, 882–884, 891

Naegelen, Marcel E., 640
Nagaski, Joseph P., 30*n*
Naguib, Maj. Gen. Muhammad, 605
Naim, Sardar Mohammad, 1366, 1376–1380, 1386, 1388–1390, 1392–1395, 1402*n*, 1406–1407, 1412–1413, 1416–1417, 1419–1423, 1426–1427, 1429–1430, 1432–1439, 1441–1444, 1463–1466, 1469–1471, 1478*n*, 1493, 1497–1498
Najibullah Khan, Sardar, 1368–1373, 1386, 1395*n*, 1396–1398, 1455, 1459, 1695
Nanda, Gulzarilal, 1639–1640
Narain, Jayprakash, 1179
Nash Company, 933
Nash, Frank C., 487, 489, 492*n*, 1567*n*, 1578*n*, 1603, 1835*n*
Nash-Kelvinator Company, 933
Nasser, Gamal Abdel, 183*n*, 585
National Advisory Council on International Financial and Monetary Affairs, 534, 912, 1464*n*, 1467, 1472, 1474
National Council of the Churches of Christ, 39
National Intelligence Estimates:
NIE *41*, *Sept. 14*, *1951*, 1214
NIE *53–54*, *Oct. 19*, *1954*, 1147–1148, 1429, 1481–1496
NIE *69*, *Sept. 12*, *1952*, 101, 153*n*
NIE *71–54*, *Aug. 31*, *1954*, 153–170
NIE *72*, *Oct. 20*, *1952*, 101, 953–963
NIE *79*, *June 30*, *1953*, 1072–1088
NIE *83*, *Dec. 22*, *1953*, 71–89, 97, 98*n*, 101
National Security Council, U.S.:
Afghanistan, U.S. policy toward, 1433–1435, 1478, 1481*n*
National Security Council, U.S.—Con.
Africa, U.S. interests in, 98–103, 107–108, 118
Documents:
NSC *29*, *Aug. 26*, *1948*, 410
NSC *98*, *Jan. 22*, *1951*, 1057, 1089*n*, 1412
NSC *152*, 1593
NSC *154*, 1593
NSC *155*, 1111–1112, 1839
NSC *163*, *Oct. 24*, *1953*, 410
NSC *5409*, *Feb. 19*, *1954*, 1089–1117, 1120–1129, 1136–1148, 1151–1153, 1158*n*, 1159*n*, 1411–1412, 1434–1435, 1471, 1496–1497
NSC *5428*, *July 23*, *1954*, 1845
NSC *5436*, *Oct. 5 1954*, 170–181
French North Africa, U.S. policy toward, 97, 170–181
Indochina, U.S. policy toward, 631
Libya, U.S. base rights in, 573, 575
Meetings of, 1126–1129, 1147–1151
North Africa, situation in, 131–142, 150–152
Pakistan, U.S. policy toward, 1855
Navy, U.S. Department of the, 544*n*, 548
Nazimuddin, Kwaja, 1079–1080, 1103, 1163, 1165–1166, 1176–1177, 1179–1180, 1183, 1187–1188, 1193, 1196, 1207–1208, 1214, 1220–1222, 1228, 1241, 1259–1260, 1262–1270, 1272–1288, 1293, 1309, 1313, 1315, 1317–1318, 1384, 1387, 1390, 1819–1821
Nderi, Chief, 351
Near and Middle East, 2–8, 105–106, 114, 155, 168, 177, 179, 235, 332, 376, 380, 384, 444–445, 448, 461, 477, 480–481, 523, 542–543, 548, 550, 577, 612*n*, 637–638, 658, 666, 668–669, 731, 802, 828, 866, 953, 955, 962, 964, 1063–1065, 1068, 1070–1071, 1087–1088, 1091, 1096–1097, 1099, 1111–1112, 1302, 1307, 1353, 1383–1384, 1395*n*, 1408–1410, 1420, 1422, 1425, 1427, 1443, 1448, 1465, 1479–1482, 1485, 1491–1492, 1599, 1636, 1670, 1677, 1683, 1694*n*, 1725*n*, 1736, 1825, 1828–1830, 1832, 1835–1837, 1845, 1852, 1854, 1857, 1862, 1866, 1869, 1871–1872
Nehru, B. K., 1771
Nehru, Sir Motilal, 92
Nehru, Pandit Jawaharlal:
African and Asian nationalist movements, attitude toward, 366, 733, 797–798, 809, 944, 1016, 1133–1134
Character of, 269, 1178, 1778–1779
China, People's Republic of:
Policy toward, 1321, 1621–1622, 1625, 1645, 1649, 1700, 1704, 1778, 1786, 1832–1834
Thorium shipments to, 1700–1701, 1704, 1706–1707, 1708*n*, 1709, 1710*n*, 1711, 1714–1717, 1719–1720, 1722–1723
Chou En-lai, talks with, 1414

Nehru, Pandit Jawaharlal—Continued
Communism, attitude toward, 1321
Correspondence with President Eisenhower, 1144, 1735–1739, 1786–1789, 1794–1795, 1839*n*
Indochina, policy toward, 1131–1133, 1607–1610, 1613*n*, 1664
Kashmir dispute, 1058, 1163–1169, 1174, 1183, 1187, 1193, 1195–1198, 1200, 1208, 1214, 1225, 1233–1235, 1239–1240, 1244, 1251, 1258–1260, 1262–1264, 1267, 1269–1284, 1287–1288, 1290, 1296, 1301–1302, 1306, 1309–1313, 1315–1319, 1322–1327, 1329–1332, 1334–1335, 1337–1354, 1357–1362, 1821, 1832–1833
Korean conflict, position toward, 1644, 1649, 1664, 1701, 1724
Nepal, policy toward, 1102
Non-alignment policy, 1100–1101, 1112, 1130, 1135, 1351, 1596–1597, 1601, 1607, 1614, 1617, 1625, 1738, 1746–1747, 1834
Political situation in India, 93, 704–705, 1073–1076, 1639–1641, 1644–1646, 1649, 1666–1668, 1671–1674, 1778, 1806
Pushtunistan dispute, 1373–1375
Southeast Asia Treaty Organization, attitude toward, 1778
Soviet Union, attitude toward, 1645, 1649, 1661, 1832–1834
Sri Lanka, policy toward, 1598–1600, 1603–1605, 1607, 1612–1613
Technical assistance agreement between the United States and India, 1633
Thorium sales to the United States, 1740–1741
U.S. economic assistance to India, 1713–1714
U.S. foreign policies, attitude toward, 1144, 1694–1695, 1772–1773, 1798–1799
U.S. military assistance to India, 1661
U.S. military assistance to Pakistan, 1144, 1357–1360, 1599, 1735–1739, 1832–1833, 1835, 1842, 1855
U.S. technical assistance to India, 1663, 1666, 1701
Visit to India by Vice President Nixon, 1731, 1780
Visit to the United States, proposed, 1772–1773, 1778–1779
Nehru, Raton K., 980–982, 1294, 1373, 1660–1661, 1664, 1697–1698, 1704, 1787–1789
Nepal:
British recruitment of Gurkha troops, 1313
Communist activities in, 1099, 1111
Independence of, 1098
India, relations with, 1074, 1077, 1085–1086, 1090, 1102, 1109, 1114, 1170, 1313, 1351
Military manpower, 1097
Nepal—Continued
Political situation, 1061, 1072, 1104, 1109
U.S. economic and technical assistance, 1061, 1114, 1116, 1122–1123, 1141
U.S. educational exchange program, 1122–1123, 1140
U.S. information program, 1123–1124
U.S. policy toward, 1089, 1096, 1153
Nes, David G., 594–595
Neser, 1036–1037
Netherlands, 459, 703, 710–711, 1753, 1755
New Caledonia, 73
New Zealand, 952, 1006, 1050, 1065, 1864*n*
Ngei, Paul, 353*n*
Nicaragua, 607, 740, 849
Nicholas, W. F., 306
Niger, 85*n*, 259
Nigeria:
British policy toward, 45, 61, 80–81, 235, 264, 371
Defense and security of, 90
Independence of, 293–294
Political situation, 19, 49, 73, 80–82, 87, 243, 247, 261, 264–272, 344
Population, 89
Radio stations, 14, 17
Strategic raw materials in, 88
Technical assistance program for, 2–3, 25*n*
U.N. Trusteeship Council visit to, 123
U.S. air routes to, 66
U.S. economic assistance, 281–282
U.S. Information Service in, 14, 272
U.S. policy toward, 293–294
Nimitz, Adm. Chester W., 1225, 1227–1228, 1230–1231, 1241, 1251, 1282, 1292, 1332–1338, 1344, 1357
Nimmo, Gen. Robert H., 1195, 1343, 1348, 1350, 1355
Nitze, Paul H., 735*n*, 969–970, 1693
Nixon, Richard M., 97, 293, 520*n*, 577–578, 1088, 1126, 1129, 1137, 1146–1147, 1149, 1403, 1405*n*, 1406–1407, 1418, 1730–1731, 1780, 1818, 1830–1834
Nkrumah, Kwame, 41–43, 66–71, 80, 262–263, 267–269, 275–278, 283–292, 294–295
Nolting, Frederick E., 523*n*, 526–527, 538*n*, 1118*n*, 1766*n*
Noon, John A., 356–364
North Africa (*see also* French North Africa, Libya, Morocco, *and* Tangier):
Communist activities in, 155, 158, 161, 166, 177, 731
French position in, 151, 156–164, 177, 184–185
Manpower potential, 144–146, 155–156, 177, 179
Political situation, 131–142, 151–171, 176–178, 731
Strategic importance of, 150–151, 155–156, 179, 1097

North Africa—Continued
U.S. policy toward, 150–152, 178–179, 182
North Atlantic Treaty Organization:
Africa, importance of, 105, 109, 120
Algeria, inclusion of, 178, 398*n*
Belgian position in, 406–407
Council of, 182, 832
French position in, 397, 398*n*, 742, 745, 946
Meetings of, 187, 1389
Objectives of, 1466*n*, 1636
Standing Group, 95
Supreme Allied Commander, Europe, 179
Turkish membership, 731*n*, 1836
North West Frontier Province. *See* Pushtunistan dispute between Afghanistan and Pakistan.
Northern Rhodesia. *See* Rhodesia, Northern.
Norway, 459, 976–977, 1012, 1049–1050, 1053, 1757, 1759
Nouira, Hedi, 676, 708, 861, 872
Novikov, Kiril V., 1175
Nugawela, E. A., 1575
Nuri Said, Maj. Gen., 1347
Nyasaland:
British policy toward, 371
Central African Federation, inclusion in, 10–11, 20, 35, 45, 49, 53, 61, 82, 90–91, 115, 117, 296–298, 311, 314, 325, 329, 335, 337–338, 341–342, 344
Indian minority in, 93
Political situation, 78, 296–297
Population, 89
Racial problems in, 46
Strategic raw materials in, 9
Technical assistance program for, 2
Nye, Lt. Gen. Sir Archibald, 1166, 1174, 1201–1202, 1204, 1206–1208, 1216–1218, 1227–1228, 1232, 1285, 1322, 1324–1325

Oakley, Raymond K., 1212, 1215–1216
O'Connor, Roderic L., 629*n*, 1318*n*, 1352
Office of Defense Materials, U.S., 1769, 1797
Office of Defense Mobilization, U.S., 280, 1635, 1798*n*
Offie, Carmel, 745
Ogmore, Lord, 119
Ohly, John H., 24, 1822–1824, 1826
Okoro, K. C., 265–266
Oldham, J. E., 1195
Ollé, Gen. Jean, 640
Ollenu, Nii Ama, 67
Olmsted, Maj. Gen. George, 1639, 1660–1663, 1668
Olympio, Sylvanus, 67–68, 235–236
Oppenheimer, J. Robert, 1618
Organization for European Economic Cooperation, 317
Oxford, Lord, 543–544

Padmore, George A., 69
Paget, E. F., 324
Pahlavi, Mohammad Reza Shah, Shah of Iran, 1404
Pai, A.V., 1326
Paillonne, Lt. Col. Henri de la, 887
Pakistan (*see also* Kashmir dispute between India and Pakistan *and* Pushtunistan dispute between Afghanistan and Pakistan *and under* United Nations General Assembly: Country positions *and under* United Nations Security Council: Country positions):
Afghanistan, relations with, 1061, 1154–1157, 1307, 1373–1375, 1437, 1478, 1487, 1497, 1862–1863, 1869
Agreements with the United States:
Agreement for Emergency Flood Relief Assistance, *Aug. 23, 1954*, 1867
Mutual Defense Assistance Agreement, *May 19, 1954*, 1137, 1140, 1143, 1146, 1177, 1358–1359, 1406, 1474, 1678, 1845–1846, 1851–1852, 1865–1866
Technical Cooperation Agreement, *Feb. 2, 1952*, 1818
Wheat Aid Agreement, *Sept. 17, 1952*, 1821; *June 25, 1953*, 1829
Arab states, relations with, 1841
British policy toward, 1302, 1360, 1841, 1854, 1856, 1859
China, People's Republic of, relations with, 1059, 1119, 1625, 1840–1841, 1844
Commonwealth, British, relations with, 58, 1087, 1090, 1097, 1113, 1202, 1372, 1824
Communist activities in, 1080, 1108, 1846, 1850–1852
Cooperation agreement with Turkey, *Apr. 2, 1954*, 1137–1138, 1143, 1146, 1153, 1155, 1346–1347, 1359, 1421, 1471, 1474, 1477, 1480, 1490–1491, 1496, 1845, 1851, 1872
Cotton production and exports, 1083, 1106
Defense and security of, 1112, 1868–1869
Economic situation in, 1073, 1081–1082, 1098, 1106–1107, 1853–1854, 1857, 1867–1868
Egypt, relations with, 1177
Ford Foundation activities in, 2, 1315
Foreign policy, 1127, 1134, 1177, 1202
Independence of, 1098, 1100
India, relations with, 276, 1083–1084, 1086, 1088, 1109–1110, 1118, 1413, 1610, 1740, 1853, 1862–1863, 1869
Indochina, policy toward, 1607
Indus River water question, 1847, 1853
International Bank for Reconstruction and Development, loans by, 1117, 1141
Iran, relations with, 1177, 1307, 1832–1833, 1836

Pakistan—Continued
Japan, relations with, 1115–1116
Jute production, 1066, 1081–1083, 1106
Korean conflict, role in, 1693
Middle East defense pact, proposed inclusion in, 1112, 1114, 1119, 1307, 1392–1393, 1395, 1465, 1825, 1830, 1832, 1835–1838, 1853–1854, 1862, 1866–1868, 1869, 1872
Military forces, 1069–1070, 1082, 1091
Political situation, 1059, 1064, 1072*n*, 1073, 1079–1081, 1103–1104, 1108, 1138, 1213, 1846–1847, 1849–1853, 1857, 1865, 1868
Rice exports, 1504
Southeast Asia Collective Defense Treaty, signatory of, 1415, 1853, 1864, 1868–1869, 1872
Soviet Union, relations with, 1059, 1097, 1119, 1176, 1179–1180, 1183, 1360, 1448, 1454, 1820, 1834, 1840–1841, 1844, 1869
Sri Lanka, relations with, 1864
Turkey, relations with, 1383–1384, 1474–1475, 1736, 1820, 1823, 1832–1833, 1836–1839, 1841–1842, 1847–1848, 1853–1854, 1856, 1872
U.S. economic assistance, 1074, 1088, 1107, 1116, 1122–1123, 1141, 1400, 1443, 1647, 1692–1693, 1849–1851, 1854–1855, 1857–1858, 1863, 1865, 1867, 1870–1874
U.S. educational exchange program, 1122–1123, 1140–1141
U.S. Information Service program, 1122–1123, 1140
U.S. military assistance, 480, 1059, 1062, 1074, 1084, 1087–1088, 1091, 1094–1095, 1108, 1112, 1118–1119, 1122–1125, 1129–1130, 1139–1140, 1143–1144, 1146, 1152–1153, 1180, 1302–1303, 1331–1333, 1338–1339, 1341, 1344, 1346–1347, 1351, 1353, 1357–1362, 1384, 1398, 1405–1409, 1415, 1418, 1420–1423, 1432, 1439–1440, 1442–1443, 1445, 1471, 1477, 1479, 1491, 1494, 1595–1596, 1598–1600, 1602, 1604, 1611, 1678, 1730–1732, 1735–1739, 1746, 1772, 1778, 1818, 1829–1845, 1854–1855, 1858–1867, 1868–1874
U.S. military base rights, proposed, 1074, 1083, 1087–1088, 1143, 1302–1303
U.S. policy toward and relations with, 436, 1089–1091, 1094–1095, 1099, 1113, 1202, 1818–1874
U.S. technical assistance, 1061, 1107, 1122–1123, 1141, 1824, 1850–1851, 1865, 1867, 1870–1871, 1873–1874
U.S. wheat assistance, 1058–1059, 1062, 1114, 1116, 1124, 1137, 1142, 1320, 1396, 1818–1829, 1846, 1851, 1854, 1869
U.S. Wheat Mission to, 1826–1827
Visit by Secretary of State Dulles, 1072, 1395*n*, 1828
Pakistan—Continued
Visit by Vice President Nixon, 1088, 1403*n*, 1818, 1830–1835
Palar, L. N., 689–690
Palestine, 850, 1348–1350, 1357*n*, 1496, 1836–1837, 1841
Palestine Conciliation Commission, 729
Paley, William S., 280
Palm oil, 73, 88, 107
Palmer, Ely Eliot, 1452
Panafieu, François de, 205*n*, 206, 209–211, 220–221, 229–230, 640
Panama, 607, 849, 1021
Pan American World Airways, 66–67, 280*n*, 484–486, 488–489, 494–497, 500–502, 508, 510–511, 513–518, 520*n*, 1743, 1773, 1782, 1801, 1803–1805, 1812, 1815–1817
Pandit, Vijaya Lakshmi, 842, 945, 967*n*, 973–975, 1604, 1658*n*, 1772, 1788, 1832–1833
Panikkar, Sardar, 93
Pant, Apasaheb B., 92, 324, 359, 415, 975–976
Paraguay, 607, 849
Parisot, J. P., 259
Parker, Sir Harold, 94, 110
Parodi, Alexandre, 671, 744, 766
Parsons, Marselis C., 4*n*, 5
Patel, Ambalal Sthailalbhai, 366, 1640, 1644
Paton, Alan, 1015
Paul, Norman, 456, 458–460, 472–473, 592–593, 1822, 1824, 1849
Pearson, Lester B., 609
Péchoux, Laurent, 255
Peck, Walter, 1802, 1815–1816
Peiris, G. S., 1531
Pelabon, André, 402, 888
Pelt, Adrian, 539
Penfield, James K., 118*n*, 327*n*
Percival, LeRoy F., 1375*n*, 1388*n*, 1389, 1402–1403
Perera, N. M., 1520, 1538
Perham, Margery, 330
Périllier, Louis, 759, 858, 874
Perkins, George W., 406–409, 699*n*, 700–701, 715–716, 717*n*, 721*n*, 729–730, 735*n*, 736, 766, 772*n*, 779*n*, 784–785, 810–812, 822, 824, 834–835, 837, 907–908, 918–920, 970*n*
Perkins, Warwick, 1279–1280
Permanent Mandates Commission, 1046
Peru, 607, 849
Pettingill, George B., 13*n*
Philippines (*see also under* United Nations General Assembly: Country positions), 603, 635, 739, 748–749, 805–806, 1064, 1523, 1625, 1740, 1864*n*
Phleger, Herman, 1025*n*
Phosphates, 107, 134, 156, 175
Pick, Charles F., 331
Pickett, Jarrell Wascom, 1731

213-752 O - 83 Vol XI - Pt. 2 - 54

Pillai, Sir Narayana Raghaven, 1312–1313, 1325, 1328–1330, 1342, 1350–1354, 1356, 1684–1685, 1702, 1705–1707, 1709, 1710*n*, 1715–1723, 1727, 1734, 1747–1749, 1759–1762, 1770–1771, 1804*n*, 1808
Pinay, Antoine, 632, 684*n*, 686*n*, 687, 699, 706, 744, 758, 764, 766, 768, 771, 780, 783, 818–819, 822, 835, 837, 839, 890
Pinder, Frank, 491
Piollet, Gen. Jean-Ludy, 94
Pitt-Hardacre, C., 546, 551–552, 561, 587–589, 592
Pleven, René, 766, 768, 770
Plitt, Edwin A., 428, 703*n*, 828, 832, 849*n*, 1378, 1380, 1385
Point Four Program, 1–3, 19, 49, 131, 490*n*, 503, 507, 544, 546–549, 552, 560, 585, 725*n*, 728, 1449, 1457, 1527, 1563, 1566*n*, 1602, 1637, 1646, 1650, 1652, 1663, 1666, 1713–1714, 1818
Poland, 609–610, 712
Pollak, Louis H., 820*n*, 828
Pons, Raymond, 858–859
Popper, David H., 540*n*, 609*n*, 681, 778–779, 794–795, 805*n*, 807*n*, 819*n*, 828, 830–831, 834*n*, 853*n*, 1005–1007, 1021*n*, 1025*n*, 1052*n*
Porcella, Santiago, III, 491
Porter, William J., 645–647, 653, 658–659, 663–664
Portsmouth, Lord, 32
Portugal (*see also Portuguese headings and subheadings under other subjects*), 91, 109–111, 113, 115, 117, 120, 125, 139, 190*n*, 200, 205, 250
Portuguese Guinea, 86, 89–90
Powell, Adam Clayton, 51
Power, Thomas F., Jr., 539–540
Powys-Jones, Lionel, 316–317
Prasad, Rajendra, 1713
Principe Island, 90
Pritt, D. N., 355
Protitch, Dragoslav, 681, 1343
Pryor, Samuel F., 514*n*
Puaux, François, 684–685, 692, 743–745, 763–765
Puaux, Gabriel, 890–891
Puerto Rico, 1029, 1667
Pushtunistan dispute between Afghanistan and Pakistan:
  Afghan position, 1085, 1088, 1095, 1110, 1154, 1158, 1365–1373, 1376–1381, 1385, 1389–1394, 1396–1405, 1408, 1411–1416, 1418–1420, 1423–1424, 1428–1429, 1431, 1434–1436, 1438–1444, 1447–1449, 1451–1452, 1454–1456, 1459, 1461, 1464–1465, 1474, 1484–1485, 1492–1493, 1496, 1695
  British role, 1372, 1404, 1448
  Durand Line, contentions regarding, 1387, 1390, 1392, 1394, 1399–1401, 1404, 1431, 1475, 1484–1485
Pushtunistan dispute between Afghanistan and Pakistan—Con.
  Indian policy regarding, 1373–1375, 1414, 1418–1419, 1424, 1431, 1483, 1492–1495
  Pakistani position, 1085, 1110, 1366*n*, 1371, 1374–1375, 1387–1388, 1398–1400, 1402, 1404–1405, 1416–1419, 1425–1426, 1431–1432, 1434, 1439, 1440, 1442–1443, 1485, 1492–1493
  Soviet policy regarding, 1414, 1419, 1424, 1483, 1492
  U.S. interest in, 1073–1074, 1095, 1146, 1152, 1365–1367, 1371–1372, 1375–1377, 1380, 1383–1384, 1386–1390, 1398, 1401–1407, 1412, 1415, 1420–1421, 1426–1429, 1432–1439, 1442–1446, 1456–1457, 1462, 1475, 1480, 1483, 1492–1494, 1497, 1830

Qualhoud, Abdul B., 585
Query, Col. Leo J., 426–427
Queuille, Henri, 402, 766
Quirielle, François de, 247, 252
Qureshi, Ishtiaq, 1375

Radford, Adm. Arthur W., 1128, 1149–1150, 1481*n*, 1578, 1838, 1865*n*
Radhakrishnan, Sarvapalli, 1319, 1330, 1731, 1786–1787, 1794–1795
Radio Corporation of America, 190*n*, 217–218, 222, 225–226
Radius, Walter A., 533*n*
Rafiq, Sardar Mohammed Atiq, 1411, 1416–1418, 1425
Rahapakse, Sir Lalita Abhaya, 1541*n*
Rahim, Jaluluddin A., 1361–1362, 1419, 1432
Rahim, Mohamed Kamil Abdul, 656
Rahman Khan, Amir Abdur, 1387*n*
Rajagopalachari, C., 1644, 1731
Rajan, B., 1053, 1250
Ram, Jagjivan, 1640, 1781–1782, 1788, 1799, 1804*n*, 1807
Randall, Clarence, 459
Randall, Col. Oscar, 111, 536*n*
Randolph, A. Philip, 43–46, 51–52
Rao, Shiva, 798
Ratnayake, R. W. A., 1503–1504, 1512
Rau, Sir Benegal N., 1162, 1192, 1299–1300
Rau, Sir Rama, 1713–1714
Rau, Santha Rama, 239
Raymus, G. F., 300–307, 310
Raynor, G. Hayden, 43, 923–926, 949–952, 966, 995, 998*n*, 999–1001, 1015, 1021*n*, 1029–1030
Reddy, K. C., 1639–1640
Reed, Harry, 1826*n*, 1828–1829
Reed, Horace, 251
Rehmann, Col. Edward L., 91*n*
Reinhardt, G. Frederick, 645
Rennie, Sir Gilbert, 330*n*
Republic Steel Company, 483, 486–487, 491, 496, 510, 520
Rhee, Syngman, 1616, 1724–1726, 1730
Rhodes, Cecil, 319

Rhodesia, Northern:
British policy toward, 371
Central African Federation, inclusion in, 10–11, 20, 35, 45, 49, 53, 61, 82, 90–91, 115, 117, 296–298, 311, 314, 325, 329, 335, 337–338, 341–342, 344
Export-Import Bank loan, 40
Indian minority in, 93
International Bank for Reconstruction and Development loan, 309
Political situation, 296–297, 412
Population, 89
Racial problems, 5, 21, 46, 77
Strategic raw materials in, 5–6, 73, 88
Technical assistance program for, 2
U.S. interest in, 317–319
Rhodesia, Southern:
British policy toward, 339–341
Central African Federation, inclusion in, 10, 20, 35, 45, 49, 53, 61, 82, 90–91, 115, 117, 296–298, 311, 314, 325, 329, 331, 335, 337–338, 341–342, 344
Commission on Technical Cooperation for Africa, member of, 250
Indian minority in, 93, 324
International Bank for Reconstruction and Development loan, 9, 308–309
Pafuri railway project, 298–306, 309
Political situation, 285, 296–297, 321, 339–340, 412
Population, 89
Racial problems, 9, 21, 46, 77, 311
Strategic raw materials in, 5–6, 9, 73, 88, 301–303, 305–308
Technical assistance program for, 2
Union of South African policy toward, 962
U.S. economic assistance, question of, 298–303, 308
U.S. interest in, 316, 319–320, 327
Richey, Earle J., 148*n*, 197*n*, 225, 680*n*, 828–830
Rio de Oro, 248
Rio Muni, 89
Rives, James, 489, 493, 495
Robbins, Robert R., 1045
Robertson, David A., 4*n*, 7, 964–966
Robinson, Joseph A., 728*n*
Robinson, Lt. Col. W. B., 500
Robison, Harold D., 4*n*, 5
Rockefeller Foundation, 460, 1732
Rodes, Robert E., 226
Rokossovsky, Marshal Konstantin K., 712
Romulo, Gen. Carlos P., 748–749, 1259
Roosevelt, A. Eleanor, 670–672, 717–718, 724–725, 733, 828, 833, 946*n*, 1162–1165, 1172–1173, 1185–1186
Roosevelt, Franklin D., 390, 462
Root, John F., 433*n*, 442*n*, 449*n*, 472–477, 556*n*, 557*n*, 590*n*, 591*n*, 595*n*
Ros, René van, 111, 117
Ross, Emerson A., 456, 458, 461, 464–467, 472, 1466
Ross, John B., 341–342
Ross, John C., 702, 710, 727, 749, 828, 1163, 1295
Ross, Robert W., 269–274
Royal Dutch Airlines (KLM), 66, 1743
Ruanda Urundi, 89
Rubber (*see also under* Sri Lanka), 88, 107, 510, 515, 519, 1063
Ruffner, Maj. Gen. Clark L., 487, 489, 575*n*, 1331–1332, 1567–1568
Runyon, Charles, 719*n*, 1021*n*
Rutter, Peter, 118–120
Ryan, Oswald, 1815–1816
Ryckmans, Pierre, 35, 412–414
Ryss, Murray, 1659

Saadalah, Gen. Mohamed, 876–877
Saadawi, Bashir Bey, 141–142, 584
Saar, 1332, 1422, 1442, 1445
Sabben-Clare, E. E., 281
Sabena, 66
Sadiq, G. M., 1174, 1178–1179
Sadok, Caid, 394
Sahay, Vishnu, 1330*n*
Sale, William B., 703*n*
Salem, Mohammed ben, 672–673, 693–694, 755, 859, 876, 877*n*
Salisbury, Lord, 43*n*, 1296
Saloway, Reginald H., 41–42, 68*n*, 69, 263*n*, 284, 285*n*
Salt, Barbara, 720*n*, 949–952
Sanders, William, 829, 967–968
Sandifer, Durward V., 540, 629*n*, 700*n*, 720*n*, 807–809, 812*n*, 815*n*, 966–967, 970*n*, 1011*n*, 1025*n*, 1233*n*, 1235*n*, 1282–1283
Sanger, Richard H., 728*n*
Santa Cruz Barcelo, Hernán, 727, 740, 748, 1006*n*
al-Sanussi, Sayyid Idris, King of Libya, 140–142, 168–169, 539, 541, 544, 547–550, 554–555, 562–563, 576–577, 580–582, 584–585, 587–588, 589*n*, 594, 597–598
Sao Thome Island, 90
Sappington, James C. III, 925, 983–985
Saqisli (Saquizli), Muhammad, 541–542, 580, 584
Sardauna of Sokoto, 264*n*
Sarper, Selim R., 727
Sarraut, Albert, 886–887
SAS, 66
Sastroamidjojo, Ali, 1130, 1133
Satterthwaite, Joseph C., 229–230, 618–619, 639–640, 645, 1013–1014, 1504–1507, 1510–1513, 1515–1516, 1518–1519, 1540–1542, 1544–1547, 1549, 1552–1553, 1555–1556, 1559–1561, 1563–1566, 1571–1578, 1580*n*, 1604, 1630
Saudi Arabia, 439, 603, 635, 661*n*, 739, 849, 927, 976*n*, 978, 1017*n*, 1022, 1054, 1072, 1400, 1404, 1832–1833, 1841
Sauer, Paul O., 917, 965
Savage, John Lucian, 283
Save the Children Fund, 379

Sawyer, Mr., 1547, 1587
Sawyer, Eugene D., 288, 290–294
Saxe, Jo W., 251
Sbihi, Mrs. Batoul, 613–614
Scheyven, Louis, 407
Schricke, Jacques, 690
Schuman, Robert:
  French North Africa:
    French policy toward, 401, 602, 751
    U.S. policy toward, 144
  Moroccan question, 602, 606, 623, 632
  Tunisian question, 685–687, 699–702, 744, 751–754, 758, 763*n*, 764, 766–773, 780, 782–783, 788, 796, 811–813, 815, 818–819, 820*n*, 822–825, 828, 832, 834–837, 839–848
Schumann, Maurice, 677*n*, 687, 699–700, 723, 742, 745, 766, 783
Schwartz, Harry H., 97–98, 102
Scott, Michael, 329, 949, 1017
Scott, Walter K., 533*n*
Sears, Mason, 122–123, 245–247, 252
Seibald, William J., 1118*n*
Seddicum, Paul C., 4*n*, 5
Selwyn Lloyd. *See* Lloyd, John Selwyn.
Sen, Binay Ranjan, 906–908, 1258, 1638, 1658–1661, 1713–1714
Senanayake, Don Stephen, 1499–1500, 1505*n*, 1506–1507, 1512, 1514–1516, 1520, 1530, 1542, 1548, 1554, 1630
Senanayake, Dudley, 1515–1516, 1518–1523, 1528, 1530–1531, 1534–1536, 1538, 1540–1542, 1553–1557, 1560, 1563–1567, 1572, 1575, 1581, 1584, 1594–1595, 1597–1598
Senanayake, Richard G., 1505–1507, 1545–1546, 1559–1560, 1563, 1569, 1571
Senegal, 85, 239, 254, 258*n*, 260
Senghor, Léopold, 70–71, 243
Seraj, Gen. Assadullah Khan, 1386
Setalvad, Matilal C., 1174
Sexton, Brig. Gen. William T., 1856, 1860–1863, 1866
Seychelles Islands, 52
Seydoux de Clausonne, Roger, 395–396, 895–897
Shaaban, Sayyid Ibrahim ben, 580
Shafqat, Mahmoud, 611–613
Shah, Col. A. S. B., 1367, 1375, 1383*n*, 1388, 1399, 1401, 1411, 1412*n*, 1413, 1417–1420, 1430–1432, 1461
al-Shalhi, Al Busairy, 584
Shastri, Lal Bahadur, 1640
Shellac, 1063, 1066, 1068, 1097
Sherman, Charles, 522, 524
al-Shishakli, Col. Adib, 1346
Shped'ko, Ivan F., 1447–1448, 1452, 1458
Shuckburgh, Charles A. E., 845
Shullaw, J. Harold, 907*n*, 918*n*
Shulman, Marshall D., 829, 903
Sidi Mohammed Lamine Pasha. *See* Mohammed al Amin.
Sierre Leone, 3, 66, 89–90
Sikkim, 1720
Silvandre, Jean, 243
Silvercruys, Baron, 406–408
Simmons, John F., 51, 454
Simon, Gladys, 1563, 1566*n*
Simons, Thomas, 657*n*
Simonson, Joseph, 448*n*, 449, 461
Simpson, C. L., 512–514, 516–520, 522*n*, 523*n*, 527, 530, 535
Sims, Harold, 4*n*, 7–12, 21–22, 303, 305–310
Sinclair, John T., 532
Sinclair Petroleum Company, 440
Singh, Baldev, 1640
Singh, I. J. Bahadur, 910*n*
Singh, Jaipal, 1746
Singh, Karan, 1326, 1330, 1640
Singh, Swaran, 1640
Sisal, 73, 88, 107
Slim, Mongi, 865, 879, 893–894, 896
Sloan, Ruth C., 1, 3
Smith, Douglas B., 26, 40, 278–281, 300, 317*n*, 419*n*, 482–483, 484*n*, 489–492, 495, 502, 505
Smith, Edwin L., 205*n*, 206*n*
Smith, Gerard C., 1755*n*, 1756, 1758, 1764*n*
Smith, H. Alexander, 1045, 1047*n*, 1050–1051
Smith, Col. Harvey H., 144*n*
Smith, Henry T., 611, 1020*n*, 1021*n*, 1375*n*, 1401*n*, 1405*n*, 1420, 1424, 1433*n*, 1474–1475, 1585–1586, 1772*n*, 1827*n*, 1831*n*, 1858–1860, 1865*n*
Smith, Rear Adm. Page, 487, 489, 564*n*
Smith, Walter Bedell:
  Afghanistan, U.S. policy toward and relations with, 1470–1471, 1478
  Ethiopia, U.S. policy toward and relations with, 442–445, 450–451
  India, U.S. policy toward and relations with, 1677, 1692, 1702*n*, 1703, 1706–1707, 1709*n*, 1712, 1713*n*, 1714, 1720–1722, 1735–1736, 1755–1756, 1766–1767, 1779, 1793*n*
  Kashmir dispute, 1213, 1322–1323, 1339, 1341, 1343–1345, 1361
  Liberia, U.S. policy toward and relations with, 509–510, 513–515
  Libya, U.S. policy toward and relations with, 575
  Morocco, U.S. policy toward, 148–150, 609–610, 625, 629*n*, 635–639
  Pakistan, U.S. policy toward and relations with, 1826, 1828–1829, 1831, 1860
  South Asia, U.S. policy toward, 1128
  Sri Lanka, U.S. policy toward and relations with, 1568–1570, 1578–1579, 1606–1607, 1611–1612
  Union of South Africa, U.S. policy toward and relations with, 995, 1027–1029
Smith-Mundt grants, 1563
Smuts, Jan Christiaan, 918, 957
Snoddy, Lt. Col. Cecil C., 91*n*
Snowdon, Henry Taft, 500
Socony Vacuum Oil Company, 484*n*, 933
Solarium Plan, 1712

Sole, D. B., 1054
Soulbury, Lord, 1515–1516, 1518*n*, 1575
South Africa. *See* Union of South Africa.
South Asia (*see also* Afghanistan, Kashmir dispute between India and Pakistan, India, Nepal, Pakistan, Pushtunistan dispute between Afghanistan and Pakistan *and* Sri Lanka):
Communist activities and threat, 1062–1072, 1090–1091, 1099, 1108, 1110
Conference of South Asian Prime Ministers, *Apr. 28–May 1, 1954*, 1130–1136, 1145, 1598, 1600–1601, 1604–1605, 1607–1610, 1612–1614, 1619, 1626, 1628
Defense and security of, 1111
Dependent territories, attitude toward, 666, 668
Ford Foundation activities in, 2–3
Meeting of U.S. Ambassadors to South Asia, *Feb. 12–13, 1954*, 1118–1120
Political situation, 1072–1088, 1485, 1842
Soviet policy toward, 1476, 1491–1492
Strategic importance of, 1074, 1089, 1096–1097
Strategic raw materials in, 1063, 1065–1067, 1097
U.S. economic assistance, 1634, 1638, 1657
U.S. information and exchange programs, 1061
U.S. policies toward, 1057–1161, 1408, 1411–1412, 1471, 1496–1497, 1661, 1683, 1772, 1852
Visit by Secretary of State Dulles, 448, 1072, 1395
Visit by Vice President Nixon, 1089, 1137, 1403*n*
Southeast Asia, 114, 376, 1063–1065, 1068, 1070–1071, 1086, 1088, 1096–1097, 1099, 1110–1111, 1131, 1139, 1172, 1415, 1513, 1579, 1612*n*, 1617, 1626, 1628, 1636, 1655, 1670, 1677, 1681, 1772, 1848, 1852, 1862, 1869, 1871–1872
Southeast Asia Collective Defense Treaty, 1131, 1778, 1853, 1860, 1864, 1868–1869, 1872
South West Africa (*see also under* International Court of Justice, Union of South Africa, *and* United Nations General Assembly), 88–89
Southern Rhodesia. *See* Rhodesia, Southern.
Sovereignty, matters pertaining to, 55, 57, 65, 110, 121, 180, 339, 341, 437, 505, 562, 567–571, 573, 575, 607, 618–619, 641, 643, 672, 675, 678, 680, 682, 684, 804, 820*n*, 870*n*, 871, 879, 881, 1035, 1133, 1140, 1274, 1280, 1367, 1371, 1385, 1397, 1599, 1601, 1701, 1707, 1708*n*, 1709, 1716
Soviet Union (*see also Soviet and Soviet Union subheadings under individual countries and subjects*): 55–56, 58, 161, 177, 1083, 1556, 1566
Spaeth, Carl B., 1–3
Spain, 138–139, 160, 172, 190–191, 194, 197–202, 204, 226, 585, 638, 730, 1819–1820
Spanish Morocco, 135, 138, 155–156, 160, 172, 181, 638–639, 650, 656
Special Estimates:
SE–32, *Oct. 3, 1952*, 1062–1072
SE–55, *Jan. 15, 1954*, 1839–1845
Spencer, John, 425, 428, 430, 433–438, 441, 445, 453, 456–459, 461, 466–469, 472, 477
Sprague, Charles A., 432, 828, 966, 968, 974–975, 977
Spurling, Brig., 125
Sri Lanka (Ceylon):
Afro-Asian Conference at Djakarta, attitude toward proposed, 1627, 1632
Anti-American sentiment in, 1616–1619
British bases in, 1070, 1096, 1114, 1514, 1575, 1578, 1595, 1601, 1629–1630
British policy toward and relations with, 798, 1525, 1529, 1535, 1549–1552, 1556–1558, 1586–1587, 1589–1591, 1601, 1611, 1614
Burma, relations with, 1583–1584, 1595
China, People's Republic of:
Rice mission to, 1536, 1538–1542, 1545–1546
Trade agreement regarding rice and rubber, *Oct. 17, 1952*, 1546–1547, 1550, 1552–1566, 1568–1571, 1576, 1579–1586, 1588, 1590, 1592, 1594, 1600, 1608, 1611, 1614, 1616, 1618, 1623–1625
U.S. concern regarding rubber sales to, 1060–1061, 1090, 1095–1096, 1101–1102, 1109–1110, 1115, 1120, 1124, 1126–1127, 1147, 1499–1500, 1502–1504, 1507–1509, 1511, 1515, 1519, 1521–1522, 1524–1531, 1534–1552, 1558, 1563–1565, 1568–1570, 1575, 1576–1577, 1582, 1586–1594, 1606, 1612, 1622, 1625, 1627–1628, 1630–1632, 1697*n*
Colombo Plan technical assistance, 1584
Commonwealth, British, member of, 58, 1090, 1097, 1113, 1575, 1589, 1614, 1625, 1630
Communist activities in, 1099, 1109, 1503–1504, 1552–1553, 1561, 1568*n*, 1569, 1574, 1586, 1616–1617
Foreign policy, 1119, 1126–1127, 1131, 1134, 1617
France, relations with, 1521, 1544*n*, 1549, 1551, 1586–1587, 1590
Germany, Federal Republic of, trade with, 1590

Sri Lanka—Continued
Graphite production, 1066–1067
Independence, 1098, 1100
India, relations with, 1110, 1118, 1131, 1520, 1574–1577, 1595–1600, 1602–1605, 1607, 1611–1613, 1617, 1630–1631, 1740
Indochina, policy toward, 1612–1617, 1619
Italy, relations with, 1549, 1586–1587, 1590
Japanese Peace Conference, position at, 1527
Pakistan, relations with, 1864
Political situation, 1060, 1064, 1104, 1108–1109, 1516, 1520–1521, 1574–1575, 1580–1581
Rice shortages and imports (*see also under* China, People's Republic of, *above*), 1503–1505, 1512–1513, 1522–1523, 1526–1531, 1533, 1535–1539, 1550, 1564–1565, 1582, 1589
Rubber production and exports (*see also* U.S. rubber purchases, *below, and under* China, People's Republic of, *above*), 510, 1006, 1507, 1589
Southeast Asia Treaty Organization, policy toward, 1620–1622, 1624–1627, 1630–1631, 1868
Soviet policy toward, 1536
U.N. membership, proposed, 1096
U.N. technical assistance, 1584
U.S. economic assistance, 1122–1123, 1548, 1558, 1573, 1577, 1581–1583, 1586, 1588
U.S. educational exchange and information programs, 1122–1123, 1140–1141, 1563
U.S. military assistance, question of, 1573, 1577
U.S. military base rights, proposed, 1514–1515, 1567–1568, 1572–1578, 1596, 1598–1606, 1612, 1626, 1629–1631
U.S. policy toward and relations with, 1089, 1095–1096, 1115, 1490–1632, 1841, 1845
U.S. rubber purchases, negotiations concerning, 1499–1503, 1505–1512, 1517–1520, 1522–1524, 1527–1535, 1537–1540, 1548–1549, 1579, 1582–1583, 1588, 1607
U.S. technical assistance, proposed, 1060, 1096, 1102, 1123–1124, 1527, 1530, 1534–1535, 1537, 1563–1564, 1566*n*, 1583, 1580, 1602
Visit by Vice President Nixon, 1088, 1147, 1403*n*
Visit to the United States by Prime Minister Kotelawala, 1613–1615, 1623–1632
Voice of America network in, 1602
Sri Nissanka, 1520
Staats, Elmer B., 1136*n*, 1796
Stabio, René, 673
Stalin, Iosif V., 742, 1098
Standard Vacuum Oil Company, 1105
Stansgate, Lord, 366
Stanton, Edwin F., 1503–1504
Stassen, Harold, 64, 448–449, 454–456, 460, 473–474, 478, 526, 531*n*, 1072, 1126–1129, 1147–1150, 1395*n*, 1407, 1503, 1631, 1692–1695, 1703, 1710, 1718, 1725*n*, 1726–1727, 1762–1764, 1768, 1787, 1824, 1826, 1828–1829, 1838, 1849–1851, 1857, 1868, 1869
Steadman, Robert, 484, 490, 502–506
Steere, Douglass, 1015
Steere, Loyd V., 343–345, 1170, 1173–1176, 1664
Stein, Eric P., 690*n*, 703*n*, 719*n*, 720*n*, 727*n*, 738*n*, 778*n*, 794, 805*n*, 807*n*, 829, 949, 1005*n*, 1025*n*, 1257
Stettinius Associates–Liberia, 491*n*
Stevenson, Adlai, 1323–1324, 1326, 1330–1331
Stewart, Maj. Gen. George C., 1766*n*
Stirling, Col. David, 32, 37
Stockil, R. O., 324
Stokes, William N., 613–614
Stone, John F., 4*n*, 5
Stoops, Donald, 1849
Stott, Charles E., 298–304
Strachan, A. H., 306, 343
Strafford, Air Marshal S. E., 94
Strauss, Jacobus Gideon Nel, 984
Strieffler, Paul M., 516*n*
Struble, Adm. Arthur D., 829
Strydom, Johannes G., 958, 965–966, 991
Stuart, Graham H., 198*n*
Studebaker Company, 933
Sudan, 72, 78, 243, 245
Sulzberger, C. L., 38–39
Summerfield, Arthur E., 1771
Summers, Lionel M., 580, 582–588, 594
Supreme Court, U.S., 963, 1615
Swart, C. R., 965
Swaziland, 23, 88–89, 962
Sweden, 976–977, 1051*n*, 1053, 1338, 1344, 1590, 1757, 1759
Sweeney, Joseph M., 4*n*, 5, 7–8, 226, 599–600, 603
Swissair, 66
Switzerland, 932, 1338, 1341, 1617, 1740, 1753, 1757
Syria (*see also under* United Nations General Assembly: Country positions), 603, 605, 635, 661*n*, 710, 757, 1072, 1112, 1346

Tachie-Menson, Francis, 291–292
Talbot, H. E., 511, 513–514, 575
Tanganyika:
Economic and political situation, 356–357, 362, 364, 368, 377, 412
Population, 89
Racial situation, 84
Strategic raw materials in, 88
Technical assistance program for, 2
U.N. trusteeship for, 83, 368
U.S. trade with, 52
Tangier, International Zone of:
American school at, 190
Belgian role, 139, 190*n*, 199, 221

Tangier, International Zone of—Con.
British role, 138–139, 190, 199, 201–202, 204
Committee of Control, 190–191, 193–196, 198, 202–206, 208–215, 217–221, 223, 227–231
Economic and financial status of, 175
Four-Power (France, Italy, Spain, United Kingdom) Convention on Reform of International Jurisdiction, *Nov. 10, 1952*, U.S. reservation to, 204, 213–223, 227–228
French role, 138–139, 190, 192–193, 197*n*, 198–202, 204, 207, 209–210, 214, 220–221, 222*n*, 228–229
International administration of, 138–139, 202
Italian role, 139, 190, 197*n*, 199–202, 204
Legislative Assembly, 197–198, 202, 207–208, 220
Mixed Tribunal, 197–198
Moroccan relationship to, 189, 191–193, 202, 204, 215, 220, 638, 650
Nationalist movement, 139
Netherlands role, 139, 190*n*, 221
Neutrality of, 189
Portuguese role, 139, 190*n*, 200, 205
Protocol of *Nov. 10, 1952*, U.S. reservations to, 201*n*, 202–221
Soviet nonparticipation, 138–139, 161, 190–191, 193–195, 226, 229
Spanish influence and role, 138–139, 160, 190–191, 194, 197–202, 204, 226, 638
Strategic position of, 189
Technical assistance for, 2
U.S. policy toward, 138–139, 189–232
U.S. treaty rights in, 225–228, 230–231
Voice of America relay station in, 190, 217–220, 225
Tannenwald, Theodore, Jr., 1464, 1681
Tappin, John L., 597–598
Tate, Jack B., 685*n*, 951, 966, 1703*n*
Taylor, Clifford C., 1368–1370, 1644–1646
Taylor, Paul B., 829, 940, 1013–1014
Taylor, Thomas T., 1802–1803, 1815–1817
Taymons, Roger, 406
Technical Cooperation Administration, U.S., 482, 484, 492–493, 494*n*, 497–498, 500–501, 1462, 1526–1527, 1534, 1540*n*
Temple, Emmanuel, 764, 770
Tesemma, Addimau, 448
Texas Company, 484*n*
Thacher, Nicholas G., 1025*n*, 1414–1417, 1420–1422, 1424–1427, 1435–1436, 1437*n*, 1438–1443, 1445–1446, 1868–1869
Thacker, Ransley Samuel, 354*n*, 366
Thailand, 1012, 1050, 1051*n*, 1503–1504, 1507, 1510, 1513, 1626, 1841, 1847, 1864*n*, 1868
Thayer, Robert A., 487–489, 492*n*
Third Supplemental Appropriations Act of *1951* (Kem Amendment), 1102, 1503*n*, 1548, 1558, 1586
Thompson, Charles O., 247–250, 326*n*, 458–459
Thoreson, Musedorah, 341, 918*n*, 923*n*, 924*n*, 928–934, 1052*n*
Thorium (*see also* Thorium sales to the United States *under* India), 902*n*, 1137, 1142, 1144, 1696–1723, 1726–1730, 1732–1735, 1739–1741, 1751–1758, 1762–1765, 1767, 1769
Thorp, Willard L., 501*n*, 916*n*, 1526, 1528, 1558, 1650
Throckmorton, Col. J. J., 1629*n*
Tibbetts, Margaret Joy, 47–48, 264–265, 327–331, 365–373
Tibet, 1085, 1110, 1239, 1307, 1351, 1720
Tin, 73, 88, 107
Tipton, Steward G., 1815–1816
Togba, Joseph N., 522
Togoland. *See* British Togoland *and* French Togoland.
Tolley, Howard, 1
Torrance, Ruth, 144*n*
Torres, Abdelkhalek, 138
Touré, Sekou, 259
Tournelle, Guy de la. *See* Le Roy de la Tournelle.
Toyberg-Frandzen, Harry, 1613
Trans-World Airlines, 440–441, 494, 1743, 1773, 1775, 1781–1782, 1789, 1801, 1803, 1805, 1812, 1815–1817
Treasury, U.S. Department of the, 1798*n*
Treaties, conventions, agreements, etc. (*see also* Agreements *under individual countries*):
Act of Algeciras, *1906*, 210, 212, 219*n*, 224, 602
Afghan-Soviet Friendship Pact, *Feb. 28, 1921*, 1414
Agreement between Liberia and the United States regarding U.S. Military Mission, *Jan. 11, 1951*, 519
Air Transport Agreement between India and the United States, *Nov. 14, 1946*, 1742, 1744–1745, 1774–1776, 1780–1781, 1787, 1789–1791, 1803, 1807, 1809, 1812, 1814–1815
Anglo-Afghan Treaty of Friendship, *Nov. 22, 1921*, 1404–1405
Anglo-Afghan Treaty of Peace, *Aug. 8, 1919*, 1404
Anglo-French agreement regarding Tangier, *Aug. 31, 1945*, 190–196, 198, 201–203, 206–211, 215–216, 222, 226; Protocol amending, *Nov. 10, 1952*, 201*n*, 202–218, 223
Barcelona Convention of *1921* regarding internationalization of navigable waterways, 1373*n*
Base agreements between Saudi Arabia and the United States, 439
Base rights agreement between Libya and the United States, *Sept. 9, 1954*, 597–598

Treaties conventions, agreements, etc.—Continued
Bases agreement between France and the United States, *1951*, 156
Bermuda agreement between the United Kingdom and the United States regarding international civil aviation, *Feb. 11, 1946*, 1742
Boundary treaty between Afghanistan and the United Kingdom, *Nov. 12, 1893*, 1387*n*, 1404
Congo Basin treaties, *1885*, 319, 328
Consular Convention between the United Kingdom and the United States, *June 6, 1951*, 334
Convention on International Civil Aviation, 1745
Convention on Statute of Tangier, *Dec. 18, 1923*, 190–191, 202, 204–205, 207, 209, 211–216, 220, 223, 226–227, 229–230, 232
Convention regarding Tangier, *July 25, 1928*, 190–191, 202, 207
Defense agreement between Sri Lanka and the United Kingdom, *1947*, 1514, 1601, 1604, 1630
Defense Areas agreement between Liberia and the United States, *Mar. 31, 1942*, 485, 515–516, 522
Double Taxation agreements between the United States and: Netherlands, 459; Norway, 459
European Defense Community treaty, *May 27, 1952*, 752, 758, 801*n*
Franco-Spanish agreement of *1904*, 138; *1912*, 138
General Agreement on Tariffs and Trade, *1947*, 340–341, 911, 913–914, 916, 920–921, 931
International Air Services Transit Agreement, *Nov. 16, 1946*, 1776
Investment Guarantee agreements between the United States and: Haiti, 459; Japan, 459
Memorandum and agreement between Liberia and the United States regarding the establishment of a Joint Commission for Economic Development, *Dec. 22, 1950*, 528, 530
Military base agreement between Ethiopia and the United States, *May 22, 1953*, 450, 456, 475
Mutual Defense Assistance agreements between the United States and: Belgium, *Jan. 27, 1950*, 406; Ethiopia, *May 22, 1953*, 449–454, 456, 471, 474–476, 481; India, *Mar. 16, 1951*, 981, 1143*n*, 1658, 1678
North Atlantic Treaty, 181, 406
Protectorate convention between France and Tunisia, *1883*, 132
Southeast Asia Collective Defense Treaty, *Sept. 8, 1954*, 1415, 1620, 1622–1631, 1778, 1864*n*, 1868–1869, 1872
Treaties, conventions, agreements, etc.—Continued
Status of Forces agreement for Morocco, 149–150
Surplus Property agreement between India and the United States, *May 16, 1946*, 1685–1688, 1691
Technical Cooperation agreement between Pakistan and the United States, *Feb. 9, 1951*, 1818
Treaty between Morocco and the United Kingdom, *1868*, 224
Treaty of Amity and Economic Relations between Ethiopia and the United States, *Sept. 7, 1951*, 429, 431, 441, 476
Treaty of Ankara between Greece, Turkey, and Yugoslavia, *Feb. 26, 1953*, 1836
Treaty of Bardo between the Bey of Tunis and France, *1881*, 671*n*, 680, 685, 820, 829, 884, 889–890
Treaty of Berlin, 123
Treaty of Fez, *1912*, 134, 139, 601, 611, 617
Treaty of Neutrality and Non-Aggression between Afghanistan and the Soviet Union, *June 24, 1931*, 1101, 1447, 1458, 1465–1466, 1491, 1497
Treaty of Peace and Friendship between Morocco and the United States, *Sept. 16, 1836*, 134, 210, 213, 219*n*, 224, 227, 602, 618
Treaty of Peace with Japan, *1951*, 1115, 1177
Treaty of St. Germain, 123
Treaty of Versailles, *1919*, 471
United Nations Charter, *1945*, 36, 60, 100, 418, 607, 625, 636, 661–662, 678, 691, 719, 721, 725, 727, 738, 744, 792–793, 805–807, 817, 819, 820*n*, 821–822, 838, 870, 924, 926–927, 930, 935–936, 938–939, 942, 944, 948, 950*n*, 952*n*, 965, 969–970, 973, 977–979, 981, 1005, 1009–1010, 1016, 1018*n*, 1021–1022, 1026, 1047–1048, 1052, 1055, 1182, 1202, 1354, 1363
Trieste, 1332, 1442, 1445
Trinks, Bess N., 1012–1014
Trippe, Juan, 488–489, 1816
Trudeau, Maj. Gen. Arthur G., 1138
Truman, Harry S.:
Address on Point Four Program, *Apr. 8, 1952*, 725, 728
Afghanistan, U.S. relations with, 1464*n*
Budget message, 1652
Greek-Turkish aid program, 1675
India, U.S. relations with, 1635–1637, 1646, 1652–1655, 1657, 1790
Kashmir dispute, 1179, 1185, 1197, 1247–1248
Liberia, U.S. relations with, 485*n*, 488, 492, 498, 500–501, 507–509, 511, 513–514
Meeting with President-elect Eisenhower, 847

Truman, Harry S.—Continued
Pakistan, U.S. relations with, 1821, 1869, 1871
State of the Union message, 1652
Steel strike, 987
Tunisia, developments concerning, 724–725, 771
Trumbell, Robert, 1330
Tsiang, Tingfu F., 727
Tubman, William V. S., 482–483, 485*n*, 499, 503–506, 517–518, 520–521, 523–527, 533, 535*n*
Tunisia (*see also* Tunisian question *under* United Nations General Assembly *and under* United Nations Security Council):
Arab-Asian attitude toward, 715
Communist activities in, 133, 161, 829, 852, 857, 859–860, 884, 896
Defense and security of, 175
French policy toward, 62–63, 129–134, 143–144, 148, 151, 153–154, 156–157, 159, 164–165, 171, 174, 180–181, 183–187, 385, 395, 602, 606, 623, 628, 632, 648–649, 651–652, 656–658, 663, 665–679, 684–688, 692–707, 713, 715, 721–722, 736–737, 743–747, 751, 753–761, 763–780, 782–790, 792, 794, 800–805, 810–814, 817–819, 826, 830, 838, 843, 855–858, 863–867, 870–877, 884–891, 893–901
General Union of Tunisian Workers (UGTT), 133, 665, 707–708, 713, 789*n*, 790, 830, 852–853, 860*n*, 865, 872–873, 877
Libyan policy toward, 158, 169, 395, 884, 895–896
Manpower potential, 144–146
Nationalist movement, 129–130, 132–133, 145–146, 153–154, 157–159, 164–167, 171–172, 174, 176, 178, 181, 382–387, 391, 395, 400, 402, 602, 607, 666, 669, 670*n*, 672, 677–678, 680, 684–686, 706, 713–714, 719, 745, 755–758, 760–761, 767, 770, 781, 796, 800–802, 829–831, 840, 853, 867–868, 870, 879, 883–884, 892
Néo-Destour party, 132–133, 159, 180, 185–186, 665–668, 675, 677, 679*n*, 698, 706–708, 713–714, 719, 723, 758–760, 767, 782–783, 791, 852–853, 855, 857–859, 860*n*, 862–865, 867, 874–875, 877–880, 883–884, 886, 894–898
Political situation, 128–134, 142–143, 401, 621, 643, 649–650, 665–667, 673–678, 696–700, 704–708, 712–716, 718–719, 723–724, 754–755, 758–762, 769, 788–790, 801–804, 829–830, 852–868, 874–880, 882–885, 895
Soviet attitude toward, 715–716
Syndical Union of Tunisian Workers (USTT), 133
U.S. economic and technical assistance, 174, 179
Tunisia—Continued
U.S. policy toward, 20, 151–152, 172–173, 665–666, 668–669, 679–681, 685–688, 700–701, 703–704, 720–721, 734–739, 742–743, 746, 768–773, 791–792, 799, 802, 805, 810, 1100, 1652
Turkey (*see also under* United Nations Security Council: Country positions):
Afghanistan, relations with, 1423–1424, 1495–1496
Chrome production, 73
Coordinating Committee on Trade Controls, member of, 1551*n*
Defense and security of, 1112
Libya, relations with, 170
Middle East defense role, 1091, 1095, 1422, 1427, 1869
North Atlantic Treaty Organization, member of, 731*n*, 1836
Pakistan, relations with, 1137–1138, 1143, 1146, 1153, 1155, 1383–1384, 1471, 1474–1475, 1736, 1820, 1823, 1832–1833, 1836–1839, 1841–1842, 1847–1848, 1853–1854, 1856, 1872
Religious freedom in, 1365
U.N. Economic and Social Council, candidacy for seat on, 829
U.S. military assistance, 440, 442*n*, 480, 1676, 1833, 1865–1866
U.S. policy toward, 1675, 1852, 1861–1862
U.S. technical assistance, 459
Visit by Secretary of State Dulles, 1072
Turkson-Ocran, E. C., 287, 290–291
Turnage, William V., 1825*n*
Turner, Gen. Howard McGrath, 576
Turner, Milton M., 492*n*
Turner, William T., 1411, 1760

Ubangi-Shari, 85*n*
Uganda:
British deposition of the Kabaka of Buganda, 78, 368–376
Economic and political situation, 356–357, 362, 373–375, 377, 379, 412
Egyptian influence in, 378
Indian minority in, 93
Population, 89
Racial problems in, 46, 84
Technical assistance program for, 2
U.S. economic assistance, proposed, 364, 380
U.S. trade with, 52
Um Nyobé, Ruben, 247
Undén, Bo Östen, 976
Union Carbide and Carbon Corporation, 305–307, 320
Union Minière du Haut-Katanga, 411*n*, 414
Union of South Africa (*see also under* United Nations General Assembly: Country positions):
African Defence Facilities Conferences, *1951*, *1954*, participation in, 90–91, 109–112, 115, 117, 119

Union of South Africa—Continued
Agreements with the United States:
Participation of Union of South African forces in U.N. operations in Korea, *June 24, 1952*, 922–923
U.S. military assistance, *Nov. 9, 1951*, 980–982
Air routes to, 66–67, 496, 510–511
Asbestos production, 909, 953–954
Atomic Energy Board, proposed supplementary Heads of Agreement between Combined Development Agency and, 902–904
Central African Federation, relationship to, 321, 332, 338, 340
Chrome production and exports, U.S. interest in, 909, 917, 920–921, 953–954
Commission on Technical Cooperation for Africa, policy regarding, 96, 250
Commonwealth, British, attitude toward, 957, 962, 988, 991, 1037
Communist activities in, 5, 960–961, 965, 985, 990–991, 1034
Export-Import Bank loans to, 904*n*, 918, 932–933, 996
General Agreement on Tariffs and Trade, policy toward, 920–921
Import restrictions, discriminatory, U.S. position, 911–916, 920–921, 931–932, 934
Indian policy toward (*see also* Treatment of people of Indian origin *under* United Nations General Assembly), 906–908, 910–911, 965
Israel, relations with, 998
Karakul trade, 1488
Korean conflict, participation in, 922–923, 927, 930, 954, 964, 988, 992
Manganese production and exports, U.S. interest in, 908–910, 917, 920–921, 930–931, 953–954, 987, 992, 1067
Middle East defense role, 953, 955, 962, 964, 988, 992
Political situation, 918–920, 923–924, 953–963, 986–998, 1000, 1002–1005, 1032–1039
Racial problems (*see also* Racial question in the Union of South Africa *under* United Nations General Assembly), 5, 7–8, 10, 12, 21, 45–46, 51, 53, 78, 82, 93, 97–99, 105, 297, 414–415, 905–908, 918–919, 923, 926, 928*n*, 929, 933, 936, 953–962, 983–985, 988–990, 993–1005, 1027*n*, 1033–1034, 1038
Rhodesia, Southern, attitude toward, 962
South West Africa, policy regarding (*see also under* International Court of Justice *and under* United Nations General Assembly), 76, 926, 928, 956, 1035–1036
Union of South Africa—Continued
Strategic raw materials in, U.S. interest in production and sale of, 6, 103, 909*n*, 953–954, 961, 993, 996
Treatment of people of Indian origin in (*see also under* United Nations General Assembly), 84, 1100
United Nations, threat to withdraw from, 936–938, 941, 944–945, 950, 954, 962, 964, 992, 1030
U.S. capital investments in, 928, 932–934, 996, 1027–1029
U.S. Consular and Administrative Conference at Capetown, *Mar. 11–13, 1952*, 4–12, 21–23
U.S. Consular Conference at Johannesberg and Pretoria, *May 26–28, 1953*, 43
U.S. information and exchange program, 5–6, 11, 23
U.S. military assistance for, 980
U.S. policy toward, 20, 102, 907–910, 953–963, 995–999
Uranium production and sales, U.S. interest in, 902–905, 909, 920, 923–924, 932, 946, 953–954, 1013
Union of Soviet Socialist Republics. *See* Soviet Union.
United Kingdom (*see also British headings and British and United Kingdom subheadings under individual countries and subjects*):
African Defence Facilities Conference at Dakar, participation, 90–91, 109–115, 117–120, 125
China, People's Republic, trade with, 1556–1557, 1566, 1567*n*
Rubber sales to Soviet Union, 1556, 1562, 1566, 1567*n*, 1591, 1593
Southeast Asia Treaty Organization, member of, 1564*n*
United Nations Commission for India and Pakistan. *See under* Kashmir dispute between India and Pakistan.
United Nations Commission for Libya, 140
United Nations Commission to study international implications of racial policy in the Union of South Africa, 978, 1001, 1006, 1009–1010, 1016–1017, 1022–1026, 1029–1032, 1039–1040, 1053–1055
United Nations Conference at San Francisco, *1945*, 806
United Nations Economic and Social Council, 829, 851, 976, 1416
United Nations General Assembly:
Austrian question, 823
China, People's Republic of, proposed admission of, 621, 946, 1631
Colonial question, 30, 33–37, 46, 60, 63, 78, 99–100, 143–144, 313*n*, 390, 392, 402, 413

United Nations General Assembly—Continued
Committees:
Ad Hoc Committee on South West Africa, 926*n*, 929, 942, 982–983, 1010–1012, 1023, 1045, 1048–1051, 1053–1054, 1056
Ad Hoc Political Committee, 432, 823, 952, 967–968, 973, 976–977, 979–980, 1001*n*, 1017*n*, 1019, 1022, 1024, 1025*n*, 1026, 1030–1031, 1041*n*, 1042–1043, 1047, 1052*n*, 1056*n*
Additional Measures Committee, 1543
Committee I, 143, 441*n*, 606–607, 635, 636*n*, 654, 656, 662*n*, 818, 820–821, 823–824, 827, 831–832, 836, 838, 840–843, 846–849, 851, 853–854, 1019
Committee IV, 806, 851, 949*n*, 982, 1023, 1049–1053
Committee of Five to negotiate regarding the status of South West Africa, 1012, 1023
General Committee, 808, 816, 820, 821*n*, 939*n*, 940, 942, 946–947, 952, 967*n*, 1026, 1039–1040
Special Committee for the Consideration of the Methods and Procedures of the General Assembly for dealing with Legal Drafting Questions, 951*n*
Special Committee on Information on Non-Self-Governing Territories, 412–413, 798, 806–807
Subcommittee on Prevention of Discrimination, 937
Country positions:
Afghanistan, 603, 635, 661*n*, 849, 927, 976*n*, 978, 1017*n*, 1054
Afro-Arab-Asian bloc, 143, 148, 158, 163, 167, 171–172, 440, 603, 606–607, 609–610, 619, 631, 635–636, 642, 648–649, 654–657, 660–662, 669*n*, 671*n*, 733, 735, 737, 739–742, 744, 749–750, 753–754, 760, 763–765, 771–772, 779, 781, 786, 787*n*, 793*n*, 797–798, 805, 807–809, 811, 816, 822, 824–828, 830–832, 841–842, 844, 847–849, 854, 866, 868–870, 874, 880, 927, 937*n*, 942–945, 948, 954, 964, 973, 976*n*, 978, 996, 1006, 1009, 1016–1017, 1024, 1029, 1039, 1046–1047, 1086, 1098, 1664
Argentina, 1021, 1043, 1047, 1056*n*
Australia, 943, 952, 1006
Bolivia, 635, 636*n*, 976*n*, 1017*n*, 1054
Brazil, 607, 635, 661, 844, 848, 853–854, 983, 1043, 1047, 1050, 1051*n*, 1053, 1056*n*
Burma, 603, 635, 636*n*, 661*n*, 739, 849, 927, 976*n*, 978, 1017*n*, 1054
Canada, 831, 952, 1030
Chile, 740, 748, 1019, 1026, 1054
Colombia, 661, 741, 823, 1006, 1021
United Nations General Assembly—Continued
Country positions—Continued
Costa Rica, 607, 849, 1019, 1047, 1054
Cuba, 607, 849, 1007, 1041, 1043, 1047, 1056*n*
Czechoslovakia, 440, 441*n*
Denmark, 976–977, 1025*n*, 1050
Ecuador, 607, 849, 1043, 1047
Egypt, 603, 634–635, 739, 823, 827, 849–850, 927, 976*n*, 978, 1017*n*, 1054
El Salvador, 983, 1043, 1047
Ethiopia, 440, 1054
France, 143–144, 163, 632, 635, 661, 668, 744, 787, 794–795, 811–812, 818, 821–822, 832, 836, 840–844, 846–848, 849*n*, 870, 942, 964, 1006
Guatemala, 976*n*, 1017*n*, 1053–1054
Haiti, 635, 976*n*, 1017*n*, 1022, 1043, 1047, 1054
Honduras, 607, 661, 849, 976*n*, 1043, 1048
Iceland, 976–977
India, 603, 635, 636*n*, 661*n*, 738*n*, 739–740, 748, 797–798, 805–806, 809, 849, 924–925, 927, 929–930, 935–937, 940–944, 950*n*, 952, 954, 964–965, 967–968, 971, 973–979, 1008–1009, 1013, 1015, 1017–1018, 1020, 1022, 1029, 1042–1043, 1044*n*, 1046, 1048–1049, 1053–1054, 1056*n*, 1086, 1098, 1304, 1664, 1724
Indonesia, 603, 635, 636*n*, 739, 741–742, 827, 849, 927, 976*n*, 978, 1017*n*, 1022, 1054
Iran, 603, 635, 661*n*, 739, 849, 929, 976*n*, 978, 1017*n*, 1022, 1054
Iraq, 603, 635, 661, 739–740, 808, 849, 927, 976*n*, 978, 1017*n*, 1022, 1050, 1051*n*, 1054
Latin American bloc, 143–144, 607–608, 610, 635–636, 661, 738*n*, 739–741, 753, 763, 781, 808–809, 829, 843–844, 848–849, 854*n*, 870, 972, 976, 1017*n*, 1043, 1046–1048, 1724
Lebanon, 603, 635, 661*n*, 739, 849, 927, 976*n*, 978, 1017*n*, 1022, 1054
Liberia, 976*n*, 1017*n*, 1022, 1954
Mexico, 661, 1049, 1051*n*, 1053
New Zealand, 952, 1006, 1050
Nicaragua, 607, 849
Norway, 976–977, 1012, 1049–1050, 1053
Pakistan, 144, 603, 607–608, 635, 661*n*, 739, 848–849, 851*n*, 927, 929, 943, 967, 976*n*, 978–979, 1007, 1013, 1017*n*, 1022, 1043, 1048, 1050, 1051*n*, 1054, 1098
Panama, 607, 849, 1021
Paraguay, 607, 849
Peru, 607, 849

United Nations General Assembly—Continued
Country positions—Continued
Philippines, 603, 635, 739, 748, 849, 927, 976*n*, 978, 1017*n*, 1022, 1054
Poland, 609–610
Saudi Arabia, 603, 635, 661*n*, 739, 849, 927, 976*n*, 978, 1017*n*, 1022, 1054
Soviet bloc, 163, 167, 739
Soviet Union, 610, 805, 809, 826, 828, 944, 1006
Sweden, 976–977, 1051*n*, 1053
Syria, 603, 635, 661*n*, 849–851, 927, 976, 978, 1007, 1012, 1017*n*, 1022, 1041, 1049, 1051*n*, 1054
Thailand, 1012, 1050, 1051*n*, 1053
Union of South Africa, 926*n*, 928–929, 940–942, 944, 947–950, 952, 977, 988, 1001*n*, 1006, 1008, 1011*n*, 1012–1016, 1018*n*, 1021*n*, 1022–1023, 1025*n*, 1026, 1029–1031, 1039, 1042, 1044–1046, 1048, 1054–1055
United Kingdom, 793–794, 818, 821*n*, 832, 846–847, 911, 943, 945, 950–952, 961, 964, 1006
United States, 147, 163, 603, 607–610, 612, 628, 631, 635–636, 648–651, 658, 662, 668–669, 691, 738–739, 747, 751*n*, 767, 770, 781–782, 784, 786–788, 794–795, 797–798, 805–807, 810–820, 823–829, 831, 835–851, 853–854, 866, 868–870, 873, 881, 898–900, 910, 930, 935–941, 946–948, 952, 961, 963–964, 967–968, 971–974, 977, 979–980, 982–983, 996, 1001, 1005–1013, 1017–1021, 1023–1026, 1029–1032, 1039–1053, 1055–1056, 1717
Uruguay, 607, 635, 740, 849, 1012, 1026, 1054
Venezuela, 607, 738*n*, 849, 1021
Yemen, 603, 635, 661*n*, 744, 849, 927, 976*n*, 978, 1017*n*, 1022, 1054
Yugoslavia, 739, 983, 1007, 1041, 1054
Disarmament question, 823
Elections to the Security Council, 829
Eritrean question, 425, 426*n*, 430, 432
Forced labor question, 1029
French threat to leave, 745–746, 786
Greek question, 1006
Italian colonies, disposition of former, 851
Kashmir dispute between India and Pakistan, 1267, 1297, 1299, 1304, 1308–1310, 1357*n*, 1358, 1361, 1363–1364
Korean conflict, 823–828, 946, 1006, 1020, 1304, 1717
Libyan situation, 539, 589
Mindszenty case, 943
Moroccan question, 144, 147–148, 154, 158, 163, 167, 172, 174, 179, 599, 603, 606–610, 612–613, 619, 621, 628, 630–632, 634–636, 642–643, 648–649, 651, 653–658, 659*n*, 660–662, 668, 670, 671*n*, 679, 691, 717–718, 758, 764, 767, 787, 807–808, 818, 820–822, 823*n*, 824–827, 830, 835, 837–839, 841–842, 845, 848, 866, 869, 880, 898–900, 942, 945–946, 948, 1006, 1013
Palestine question, 850
Puerto Rican question, 1029
Racial question in the Union of South Africa, 78, 806, 832, 924–925, 927, 930, 935, 937–940, 943–955, 966, 969–979, 981, 996, 999, 1001, 1005–1010, 1015–1017, 1022–1026, 1029–1032, 1039–1040, 1052–1056
Resolutions:
103 (I), *Nov. 19, 1946*, regarding religious and racial persecution, 978, 1053–1055
381 (V), regarding incitement to aggression, 941
390 (V), *Dec. 2, 1950*, regarding federation of Eritrea and Ethiopia, 432
395 (V), *Dec. 2, 1950*, regarding racial question in the Union of South Africa, 978, 1055
500 (V), *May 18, 1951*, calling for strategic embargo against Chinese People's Republic, 1521, 1527, 1542–1544, 1547, 1553–1554, 1566–1567, 1622
511 (VI), *Jan. 12, 1952*, regarding treatment of people of Indian origin in the Union of South Africa, 910, 967–968, 978, 1044, 1055
530 (VI), 422*n*, 428
570 (VI), *Jan. 19, 1952*, regarding South West Africa, 982–983, 1011*n*,
611 (VII), *Dec. 17, 1952*, on Tunisia, 854*n*, 855, 865, 868, 899
612 (VII), *Dec. 19, 1952*, 634–635, 649, 661, 898
615 (VII), *Dec. 5, 1952*, on treatment of people of Indian origin in the Union of South Africa, 980*n*, 1007
616 (VII), *Dec. 2, 1952*, on racial question in the Union of South Africa, 977–979, 981, 1001, 1006*n*, 1022, 1053
617 (VII), *Dec. 17, 1952*, regarding federation of Eritrea and Ethiopia, 432
651 (VII), *Dec. 20, 1952*, regarding South West Africa, 983*n*
719 (VIII), *Nov. 11, 1953*, regarding treatment of people of Indian origin in the Union of South Africa, 1021*n*

United Nations General Assembly—Continued
Resolutions—Continued
721 (VIII), *Dec. 8, 1953*, regarding the racial situation in the Union of South Africa, 1026
749 (VIII), *Nov. 28, 1953*, regarding South West Africa, 1023, 1048
812 (IX), *Nov. 4, 1954*, regarding treatment of people of Indian origin in the Union of South Africa, 1048
820 (IX), *Dec. 14, 1954*, regarding South West Africa, 1056*n*
South West Africa, status of, 928–932, 934, 942, 982–983, 999, 1010–1012, 1023, 1029, 1035–1037, 1045–1046, 1048–1054, 1056
Treatment of people of Indian origin in the Union of South Africa, 84, 798, 806, 830, 910–911, 929–930, 936, 948, 966–968, 979–980, 1007–1009, 1013–1015, 1017–1021, 1041–1048, 1304
Tunisian question, 133, 142–143, 154, 158, 163, 167, 172, 174, 179, 182, 602–603, 606–607, 609–610, 612–613, 626, 631, 642–643, 654–655, 665–677, 679, 735–742, 744, 749*n*, 750, 751*n*, 752–754, 758, 760, 763, 767–768, 770–773, 779, 781–782, 784–788, 790–800, 802–805, 807–851, 853–854, 862, 864–866, 868–870, 873–874, 880, 898–899, 900*n*, 942, 944–945, 948, 1664
United Nations Good Offices Commission regarding treatment of people of Indian origin in the Union of South Africa, 1007–1008, 1017, 1018*n*, 1019, 1042–1043, 1047–1048
United Nations Secretary-General, 784–785, 817, 823, 825, 829, 832, 952*n*, 978, 979*n*, 980*n*, 1008*n*, 1042–1044, 1047, 1145, 1163–1164, 1187–1188, 1231, 1259–1260, 1334–1335, 1337–1339, 1341, 1344–1345, 1349, 1352–1355, 1363
United Nations Security Council:
Algerian case, 389
Anglo-Iranian oil case, *1951*, 671, 703, 709, 711
Berlin case, *1948*, 671
Country positions:
Afro-Arab-Asian bloc, 611, 626–627, 649, 681–682, 688–691, 702–705, 708*n*, 709–712, 716–717, 719, 726–727, 748*n*, 861–862, 864–865
Brazil, 703, 710–711
Chile, 703, 710, 748
China, Republic of, 703, 710–711
Ethiopia, 710
France, 671, 682, 692, 703, 711, 715–716, 864–865
Greece, 670, 703, 710–712
India, 681, 690, 712, 732–734
Indonesia, 681, 689–690, 702
Lebanon, 710
Netherlands, 703, 710–711
United Nations Security Council—Con.
Country positions—Continued
Pakistan, 671, 681–683, 689, 700, 708–710, 712, 717, 748
Soviet Union, 671, 703, 710, 1172–1173, 1177–1184, 1187, 1213, 1297
Syria, 710
Turkey, 703, 710–711, 730–732
United Kingdom, 703, 710–711, 720*n*, 1166, 1171–1172, 1298–1300, 1302–1303, 1305, 1309
United States, 612–613, 627–630, 681–682, 687–688, 691, 703–704, 709–711, 717–731, 734*n*, 735–738, 751*n*, 757*n*, 767–768, 770, 772, 782, 784, 807, 831, 945, 1006, 1166, 1171–1172, 1182, 1252, 1295, 1298–1300, 1302–1303, 1309
Yemen, 681, 690
Formosa question, 709
Hyderabad case, *1948*, 671–672
Indonesian case, *1947*, 671–672
Kashmir dispute between India and Pakistan, 710–711, 1058, 1083, 1109, 1162*n*, 1163–1166, 1169–1174, 1176–1193, 1201–1216, 1218, 1220–1221, 1224, 1227–1228, 1231, 1234, 1236, 1238–1243, 1245–1246, 1248*n*, 1249–1250, 1252, 1254–1256, 1260–1263, 1268, 1273–1278, 1280–1281, 1283*n*, 1286, 1287*n*, 1288–1290, 1292–1311, 1313–1315, 1319, 1322–1323, 1327–1329, 1334, 1336, 1338–1340, 1342, 1344–1347, 1357*n*, 1358, 1360–1364, 1373, 1853
Moroccan question, 611–613, 626–631, 649, 864–865, 1006
Resolutions on Kashmir: *March 14, 1950*, 1166*n*, 1294, 1301; *Mar. 30, 1951*, 1182, 1191, 1193, 1223, 1243, 1246, 1280, 1294, 1298, 1305–1306, 1310, 1338; *Apr. 30, 1951*, 1298, 1310; *Nov. 10, 1951*, 1182, 1213, 1277, 1298, 1310; *Dec. 23, 1952*, 1298*n*, 1310–1311
Suez problem, 731*n*, 732
Tunisian question, 611–613, 628, 665, 668, 669*n*, 670–672, 677–678, 680–692, 696, 700–705, 708–712, 715–740, 747–748, 751, 757*n*, 758–759, 763–764, 767–768, 770, 772, 782, 784, 797, 807, 830–831, 838, 861–862, 945
United Nations Trusteeship Council, 45, 60, 99–100, 121–122, 245–247, 252, 357, 806, 829
United Nations Trusteeship system, 928*n*
United Nations Trust Territories in Africa, 99, 254, 256
United States Information and Educational Exchange Program (*see also under individual countries*), 3, 5–6, 11, 13–21

United States Information Service (*see also under individual countries*), 252–253, 272, 379–380, 414–415
United States International Information Administration, 356–364
U.S. Steel Company, 248
Universal Declaration of Human Rights, 941, 1018*n*, 1022
U Nu, 1130, 1133–1134, 1613
Upper Volta, 85*n*, 253
Uranium (*see also under* **Union of South Africa**), 73, 88, 99, 103, 105, 107, 411*n*, 413, 414*n*, 467–468, 1729–1730
Uruguay, 607, 635, 740, 849, 1012, 1026, 1054
Utter, John E., 26, 40–41, 51–54, 102*n*, 120, 122, 181*n*, 183–184, 236–237, 247, 249, 252, 341–342, 344, 345*n*, 426, 430, 433*n*, 435–438, 441–442, 445, 448–449, 451–453, 456, 458–459, 461–472, 477–481, 495–497, 500–501, 522, 529*n*, 536–537, 556*n*, 557*n*, 575*n*, 590*n*, 591*n*, 592, 608–609, 637*n*, 651–653, 760, 763–766, 798*n*, 801*n*, 810*n*, 815*n*, 820*n*, 861–862, 864–866, 868, 895

Vaithianathan, Sir Kanthiah, 1512–1516, 1518, 1521*n*, 1522, 1537*n*, 1540, 1555–1556, 1560–1561, 1566, 1571–1572, 1575, 1581*n*, 1608–1609
Vallat, Francis A., 951
Vanadium, 73, 88
Vanadium Corporation of America, 319–320
Vandenberg, Gen. Hoyt S., 1578
Varma, Wing Cmdr. J. C., 1665, 1668*n*
Vaujour, Jean, 398–399
Venezuela, 607, 738*n*, 829, 849, 1021
Venkatachalam, K. V., 1780, 1800, 1805
Vernon, Raymond, 1726*n*
Verwoerd, Hendrik F., 965
Vietnam, 1538, 1848
Vile, Robert, 264–265
Villard, Henry S., 541–564, 567–573, 576–590, 592–593, 598, 654–657, 1423
Vimont, Jacques, 619, 622
Vincent, John Carter, 129, 197*n*, 199–204, 207, 604–606
Vishinsky, Andrey Yanuarevich, 1178, 1180, 1183–1184, 1187, 1447, 1458
Voice of America, 13–19, 190, 217–220, 225, 1139, 1602
Voizard, Pierre, 870–879, 882–883, 885–888, 895–896
Volk, Norman J., 1826*n*, 1828–1829

Wadsworth, George, II, 1050–1051, 1343, 1347–1349
Wailes, Edward T., 285*n*, 324*n*, 1032*n*
Wainhouse, David W., 688*n*, 690–692, 693*n*, 719*n*, 720*n*, 725*n*, 726–727, 734–735, 738*n*, 751, 758, 822, 949, 951–952, 966, 1030–1032, 1352–1353
Wali Khan, 1386*n*, 1389
Wali Khan, Shah, 1392
Wallace-Johnson, I.T.A., 42, 355*n*
Wallner, Woodruff, 760, 766
Wan, Prince, 1259
War, possibility of global, 74–75, 101–105, 118, 155, 167, 175, 177–179, 378, 397, 410, 419, 515, 953–955, 962–963, 1070–1071, 1083, 1086, 1094–1097, 1113, 1121, 1126, 1137, 1146, 1359, 1422, 1463*n*, 1492, 1601
Ward, Angus, 359*n*, 1118*n*, 1138, 1144, 1381–1383, 1386, 1390–1401, 1406–1407, 1411, 1430, 1432, 1434, 1441, 1462*n*, 1463, 1465*n*, 1466*n*, 1469, 1470*n*, 1472, 1474, 1481*n*
Ward, Robert E., 1285*n*
Warren, Avra, 1819–1821
Waruhiu Kungu, Chief, 346*n*, 351
Washington, George, 18
Watch Tower movement, 412*n*
Waugh, Samuel C., 533, 1703–1705, 1732*n*, 1784, 1796–1797, 1802–1803
Webb, James E., 680–681, 981*n*, 1190–1193, 1506, 1508–1509, 1521–1522, 1658*n*
Wedemeyer, Gen. Albert C., 1217
Wedgwood Benn, Anthony Neil, 366
Weeks, Sinclair, 510*n*, 511, 1631
Weil, T. Eliot, 1252*n*, 1259, 1634*n*, 1641–1643, 1746–1747
Welensky, Sir Roy, 314, 317*n*, 318
Wellons, Alfred E., 419*n*, 426–427, 430*n*, 433*n*, 438–442, 445–448, 449*n*, 456–467, 481, 538*n*, 564*n*, 615*n*, 625*n*
West Africa, 13–21, 90–91
West African Trust Territories, 81–82
Westinghouse, 492
White, Emmett Lamar, 1530–1533, 1802, 1815
White, Thomas H., 1354
Whitehead, E. C. F., 306–307, 309
Whitman, Ann, 1839*n*
Wickremasinghe, Esmond, 1520, 1609
Wiles, Reid, 512*n*
Wiley, Alexander, 591, 828, 832, 946*n*
Wilkins, Fraser, 980, 1316
Will, Ralph R., 1791
Williams, Clarke, 491
Williams, William L. S., 1052*n*, 1252*n*, 1605*n*, 1628*n*, 1658–1660, 1786*n*
Willson, Clifford H., 1706, 1718–1719
Wilson, Charles E., 442, 506, 508, 557*n*, 573–574, 591, 598, 1126, 1128–1129, 1147, 1764, 1838, 1869
Wilson, Frank, 1531
Wilson, N. H., 32, 37
Wilson, Ross, 493
Wilson, Gen. T. B., 306–309
Wilson, Woodrow, 1725
Witman, William, II, 205*n*, 206–209, 218–221, 829, 943*n*, 1378–1380, 1385, 1389*n*, 1514–1515, 1665*n*

Wolf, Joseph J., 148*n*
Wood, Carlton L., 1525*n*
Woode, Anthony, 290–291, 292*n*
World Federation of Trade Unions, 133, 287–288, 290–292
Wright, Adm. Jerauld, 1138–1139, 1578

Yemen, 603, 635, 661*n*, 681, 690, 739, 744, 849, 927, 976*n*, 978, 1017*n*, 1022, 1054
Yenchius, M. M., 1526*n*, 1531, 1605*n*
Yergan, Max, 92–94
Young, David, 343
Youseff, Salah Ben, 670, 696, 849–851, 867, 889, 891–895, 901
Yugoslavia, 739, 829, 983, 1007, 1041, 1054, 1711

Zafrulla Khan, Chaudhri Sir Muhammad, 670–671, 708, 749, 842–843, 943, 1080, 1141, 1172, 1174, 1177–1181, 1183–1184, 1187, 1192, 1194–1198, 1200–1211, 1214, 1216–1217, 1219–1222, 1224, 1227–1228, 1241, 1246–1247, 1262, 1266, 1268–1271, 1279–1280, 1285, 1287–1289, 1293, 1295–1297, 1308–1309, 1314, 1319–1320, 1324–1325, 1327, 1336–1338, 1340, 1345–1346, 1360, 1362–1363, 1366, 1374–1375, 1383, 1386–1388, 1390–1391, 1393–1394, 1411, 1416–1417, 1424–1425, 1465, 1818, 1822–1824, 1826, 1847–1851, 1861–1862, 1864–1865
Zahir Shah, Mohammed, King of Afghanistan, 1366, 1381 1383, 1407, 1412, 1418, 1450, 1453, 1463*n*, 1489
Zakia, Princess, 130, 755
Zanzibar, 52, 89
Zaouche, Noureddine, 877*n*
Zeeland, Paul van, 412*n*
Zeineddine, Farid, 183–184
Zik. *See* Azikiwe.
Zinc, 156, 298

○